

CONFIDENTIALSTATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: FEE	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: JMD Energy				9. WELL NAME and NUMBER: JMD 12-4-4-3	
3. ADDRESS OF OPERATOR: PO BOX 790203 CITY Vernal STATE UT ZIP 84079				PHONE NUMBER: (435) 790-4163	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1832' FSL & 783' FWL AT PROPOSED PRODUCING ZONE: Same as above				10. FIELD AND POOL, OR WILDCAT: Antelope Creek Wildcat 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: N 1/4 SW 4 4S 3W	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 11.1 miles east of Duchesne				12. COUNTY: Duchesne	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 537'				16. NUMBER OF ACRES IN LEASE: 115	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NA				17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5291.1 Ungraded ground				20. BOND DESCRIPTION: 9550744420	
22. APPROXIMATE DATE WORK WILL START: 4/15/2010				23. ESTIMATED DURATION: 30 Days	

24. PROPOSED CASING AND CEMENTING PROGRAM								
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4	9 5/8	J-55	36#	350	Premium Lite II	250 sk	3.38cft/sk	11.0ppg
7 7/8	5 1/2	N-80	11.6#	7,500	Premium Lite II	200 sk	3.3cft/sk	11.0ppg

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) <u>Ginger Bowden</u>	TITLE <u>Agent</u>
SIGNATURE <u>Ginger Bowden</u>	DATE <u>2/15/2010</u>


(This space for State use only)

API NUMBER ASSIGNED: 43-013-34300

APPROVAL:

RECEIVED
MAR 09 2010
DIV. OF OIL, GAS & MINING

STATE ACTIONS
Resource Development Coordinating Committee
Public Lands Policy Coordination Office
5110 State Office Building
SLC, UT 84114
Phone No. 801-537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or March 25, 2010
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: JMD Energy proposes to drill the JMD 12-4-4-3 well (wildcat) on Fee lease, Duchesne County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 1832' FSL 783' FWL, NW/4 SW/4, Section 4, Township 4 South, Range 3 West, Duchesne County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Government	
10. For further information, contact: Diana Mason Phone: (801) 538-5312	11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: March 11, 2010

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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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12 1/4	9 5/8 J-55 36#	350	Premium Lite II 250 sk 3.38cft/sk 11.0ppg
7 7/8	5 1/2 N-80 11.6#	7,500	Premium Lite II 200 sk 3.3cft/sk 11.0ppg

25.

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Ginger Bowden

TITLE Agent

SIGNATURE

DATE 2/15/2010

(This space for State use only)

API NUMBER ASSIGNED:

43-013-34300

APPROVAL:

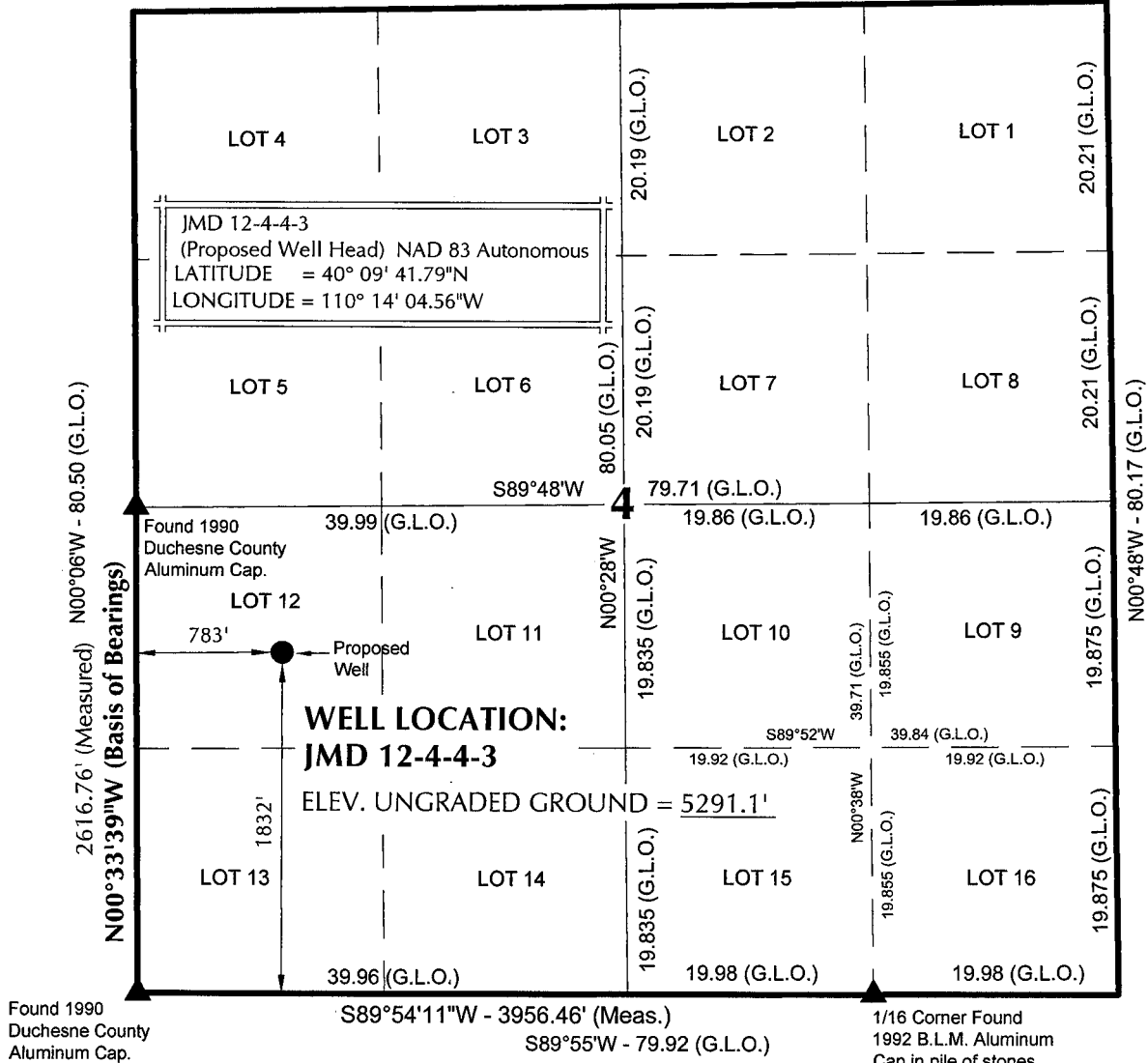
RECEIVED

MAR 09 2010

DIV. OF OIL, GAS & MINING

T4S, R3W, U.S.B.&M.

N89°40'E - 80.10 (G.L.O.)



SCALE

NOTES:

- ▲ = Section Corners Located
- 1. Well footages are measured at right angles to the Section Lines.
- 2. G.L.O. distances are shown in feet or chains.
1 chain = 66 feet.
- 3. Bearings are based on Global Positioning Satellite observations.
- 4. Basis of elevation is bench mark M14 1934 located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, T4S, R3W, U.S.B.&M. The elevation of this bench marked is shown on the Bridgeland 7.5 min. Quadrangle as being 5297'.

JMD ENERGY

WELL PAD - JMD 12-4-4-3

**JMD 12-4-4-3
WELL PLAT**

**1832' FSL, 783' FWL
LOT 12 OF SECTION 4, T4S, R3W,
U.S.B.&M., DUCHESNE COUNTY, UTAH.**

SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 362251
STATE OF UTAH
No. 362251
KOLBY R.
KOLBY R. KAY

TIMBERLINE

(435) 789-1365

ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED:
09-30-09

SURVEYED BY: B.J.S.

SHEET NO:

DATE DRAWN:
10-01-09

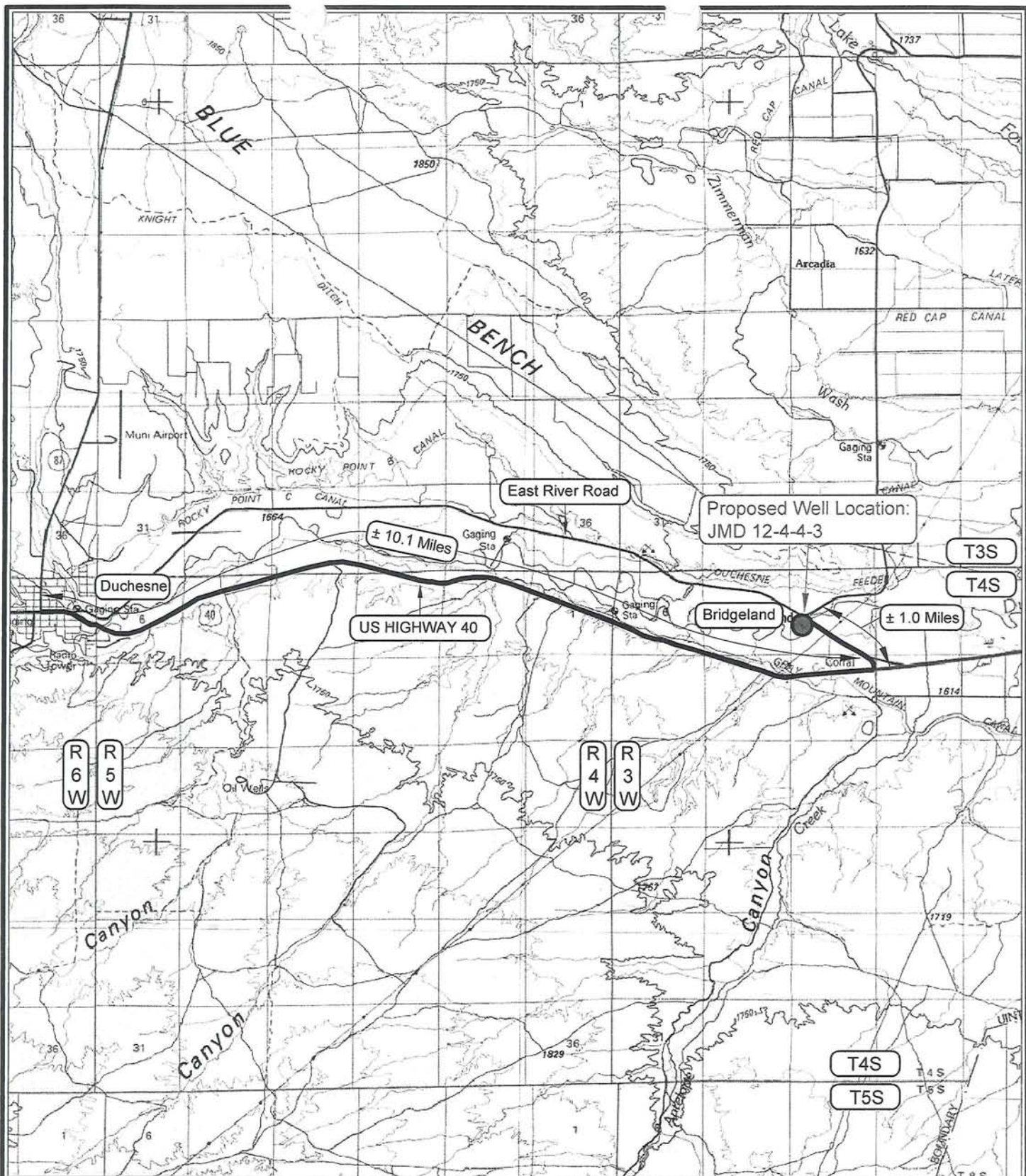
DRAWN BY: M.W.W.

2

SCALE: 1" = 1000'

Date Last Revised:

OF 8



LEGEND

PROPOSED ACCESS ROAD
 - - - - - = SUBJECT WELL
 - - - - - = OTHER WELLS
 - - - - - = EXISTING ROAD
 - - - - - = EXISTING ROAD (TO BE IMPROVED)

(B-5460) = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "A"

SCALE: 1:100,000

DRAWN BY: M.W.W.

DATE SURVEYED: 09-30-09

DATE DRAWN: 10-01-09

REVISED:

JMD ENERGY

JMD 12-4-4-3
 SECTION 4, T4S, R3W, U.S.B.&M.
 1832' FSL & 783' FWL

TIMBERLINE

ENGINEERING & LAND SURVEYING, INC.
 209 NORTH 300 WEST - VERNAL, UTAH 84078

(435) 789-1365

SHEET

6

OF 8

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/09/2010

API NO. ASSIGNED: 43-013-34300

WELL NAME: JMD 12-4-4-3

OPERATOR: JMD ENERGY INC (N3620)

PHONE NUMBER: 435-790-4163

CONTACT: GINGER BOWDEN

PROPOSED LOCATION:

NWSW 04 040S 030W

SURFACE: 1832 FSL 0783 FWL

BOTTOM: 1832 FSL 0783 FWL

COUNTY: DUCHESNE

LATITUDE: 40.16154 LONGITUDE: -110.23390

UTM SURF EASTINGS: 565242 NORTHINGS: 4445758

FIELD NAME: WILDCAT (1)

LEASE TYPE: 4 - Free

LEASE NUMBER:	FEE
---------------	-----

PROPOSED FORMATION: WSTC

SURFACE OWNER: 4 - Fee

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 955074442.0)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. MUNICIPAL)

RDCC Review (Y/N)
(Date: 03/26/2010)

✓ Fee Surf Agreement ((Y)N)

NA Intent to Commingle (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit:

✓ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

Drilling Unit

Board Cause No:

Eff Date: _____

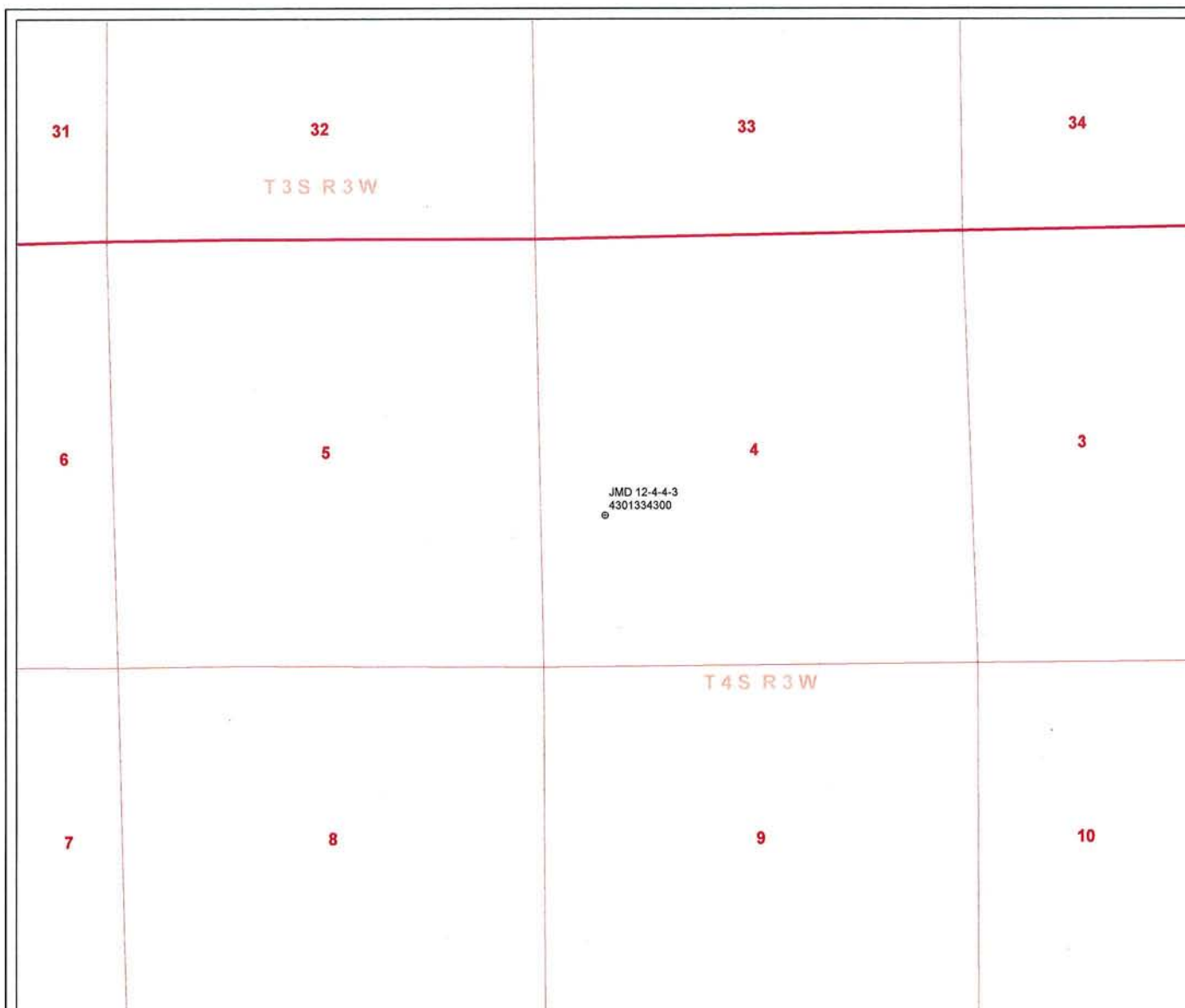
Siting: _____

R649-3-11. Directional Drill

COMMENTS: Needs Print (03-19-10)

STIPULATIONS: 1-1 Signature Strip

- 1- Spacing Strip
- 2- STATEMENT OF BASIS



API Number: 4301334300
 Well Name: JMD 12-4-4-3
 Township 04.0 S Range 03.0 W Section 04
 Meridian: UBM
 Operator: JMD ENERGY INC

Map Prepared:
 Map Produced by Diana Mason

- | | |
|---------------|-------------------------------------|
| Units | Wells Query |
| STATUS | ✗ not other values |
| ACTIVE | APD - Approved Permit |
| EXPLORATORY | ○ DRL - Spooled (Driving Commenced) |
| GAS STORAGE | ✗ GW - Gas Injection |
| NP PP OIL | ✗ GS - Gas Storage |
| NP SECONDARY | ✗ LA - Location Abandoned |
| PI OIL | ✗ LOC - New Location |
| PP GAS | ✗ OPS - Operation Suspended |
| PP GEOTHERM | ✗ RA - Plugged Abandoned |
| PP OIL | ✗ PGW - Producing Gas Well |
| SECONDARY | ✗ PGW - Producing Oil Well |
| TERMINATED | ✗ RET - Returned APD |
| Fields | ✗ SGW - Shutoff Gas Well |
| Sections | ✗ SOW - Shutoff Oil Well |
| Township | ✗ TA - Temp Abandoned |
| | ○ TW - Test Well |
| | ✗ WDW - Water Disposal |
| | ✗ WW - Water Injection Well |
| | ● WSW - Water Supply Well |



Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

5/6/2010

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
2487	43-013-34300-00-00			P	No
Operator	JMD ENERGY INC	Surface Owner-APD			
Well Name	JMD 12-4-4-3	Unit			
Field	WILDCAT	Type of Work			
Location	NWSW 4 4S 3W U 1832 FSL 783 FWL	GPS Coord (UTM)	565242E 4445758N		

Geologic Statement of Basis

JMD proposes to set 350' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 300' (Publication #92) but is probably deeper based on water well data. A search of Division of Water Rights records shows 15 water wells within a 10,000 foot radius of the center of Section 4. Uses for these wells are listed as domestic, irrigation and stock watering. Depth ranges between 28 and 400 feet. There are 3 wells within 1/4 mile of the proposed location. Producing depth for these wells are 28, 250 and 400 feet. The surface material at this site is made up of unconsolidated fluvial and alluvial sediments lying on the Uinta Formation. The unconsolidated sediments do contain fresh groundwater and should be protected. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Surface casing should be extended to at least 500 feet to protect ground water in nearby wells.

Brad Hill
APD Evaluator

3/30/2010
Date / Time

Surface Statement of Basis

A telephone call to Graig Stansfield was made on March 17, 2010 to schedule and invite him to a presite meeting on his land to drill the JMD 12-4-4-3. Graig explained Friday, March 19, 2010 would work best for him because of his work schedule and the meeting was therefore set up for 2:00 PM to accommodate him and El Paso. According to the landowner and operator, they have a signed landowner agreement which has been submitted to the Division. Mr. Stansfield did state the operator needs to allow him time to remove his corral before construction begins; he also stated the large cottonwood trees to the east and north of the location are to be left standing. The Duchesne river is located only 150 feet from the eastern edge of this location, therefore the operator needs to construct a berm that will prevent any drilling or production fluids from leaving the location. This berm will be monitored throughout the drilling and production life of the well to assure protection of the river. No onsite pits are permitted for this site other than a emergency flare pit, which would only be used for a well control or blowout situation. Construction and drilling of this well is scheduled to begin as soon as permitted and after the landowner removes his corral from the wellsite.

Dennis Ingram
Onsite Evaluator

3/19/2010
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Surface	Due to the proximity of the Duchesne River, a berm with a minumum height of 2 feet shall be put in place around the entire pad in order to prevent drilling and production fluids from leaving the pad. JMD shall notify the Division of construction activity such that a DOGM employee can be present to suggest modifications and to make a final approval of the berm construction.
Surface	The entire pad and berm shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator JMD ENERGY INC
Well Name JMD 12-4-4-3
API Number 43-013-34300-0 **APD No** 2487 **Field/Unit** WILDCAT
Location: 1/4,1/4 NWSW **Sec** 4 **Tw** 4S **Rng** 3W 1832 FSL 783 FWL
GPS Coord (UTM) 565245 4445774 **Surface Owner**

Participants

Ginger Bowden (Company Representative); Graig Stansfield (Landowner of Record); Dennis L. Ingram (DOGM)

Regional/Local Setting & Topography

Proposed wellsite is located approximately 10.1 miles east of the intersection of US Highway 40 and State Highway 87 at Duchesne Utah, along highway 40 to the Bridgeland turn off, then northwesterly along the River Road another 1.0 mile, then south onto private property for another ninety feet. The Duchesne River flows from west to east, but eddies north for a short distance where it parallels the eastern boundary of the proposed location, and is only in fact less than a two-hundred and fifty feet from the proposed wellbore staking. The immediate surface area is split between cattle pasture and stock pens, and is river property in the flood plain. To the north, the elevation rises onto Blue Bench, which is arid desert habitat; likewise, elevation rises to the south after leaving the river bottom onto arid, bench country nearly void of vegetation.

Surface Use Plan

Current Surface Use

Agricultural

New Road

Miles	Well Pad		Src Const Material	Surface Formation
0.01	Width 170	Length 340	Onsite	UNTA

Ancillary Facilities N

All construction materials for this location and access road shall be borrow material from construction; additional road gravel may be obtained from a private source.

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland Y

Duchesne River Drainage, river bank less than a hundred feet from location edge.

Flora / Fauna

Small portion of southern side of location is pasture for cows, but the majority of the surface is old, homemade corral for cattle. The adjacent river bottom, however, provides habitat for small mammals, coyotes, raccoon, bobcat, even a possible black bear and mule deer can be found along this corridor. No native fauna on location site other than some old cottonwood trees immediately north and east of site, some pasture grass on southern portion of location surface but the rest has nothing growing.

Soil Type and Characteristics

Five to six feet of sandy clay with underlying cobbles.

Erosion Issues Y

adjacent river bank with fresh water

Sedimentation Issues Y

Protection from outwashing of disturbed soils, construction materials and/or production materials.

Site Stability Issues Y

Shouldn't be any stability problems

Drainage Diversion Required

Surface is relatively flat and shouldn't need any diversions

Berm Required? Y

Location

Erosion Sedimentation Control Required? Y

Location shall be bermed to prevent any drilling or production fluids from reaching river.

Paleo Survey Run? N

Paleo Potential Observed? N

Cultural Survey Run? N

Cultural Resources? N

Reserve Pit**Site-Specific Factors****Site Ranking**

Distance to Groundwater (feet)

Distance to Surface Water (feet)

Dist. Nearest Municipal Well (ft)

Distance to Other Wells (feet)

Native Soil Type

Fluid Type

Drill Cuttings

Annual Precipitation (inches)

Affected Populations

Presence Nearby Utility Conduits

Final Score

Sensitivity Level

Characteristics / Requirements

If shales and cutting are piled and removed from mud tanks while drilling they shall remain within the bermed area of the location and/or removed ASAP or stockpiled for reclamation on site. A flare pit was proposed and shall be done according to stipulations, no other pits shall be constructed on lease for drilling or production.

Closed Loop Mud Required Y

Liner Required?

Liner Thickness

Pit Underlayment Required?

Other Observations / Comments

Flood plain, Duchesne River Drainage, stock corral must be moved before construction can be done, large cottonwood trees on east and north side of location are to be left standing according to landowner agreement, berming issues to protect river, no mention was made of fencing location but it may become an issue depending upon cattle use in this field, a cattle guard shall be installed at access fence into private ground. A closed loop system will be utilized to prevent the need for a reserve pit.

Dennis Ingram

Evaluator

3/19/2010

Date / Time



Search all of Utah.gov »

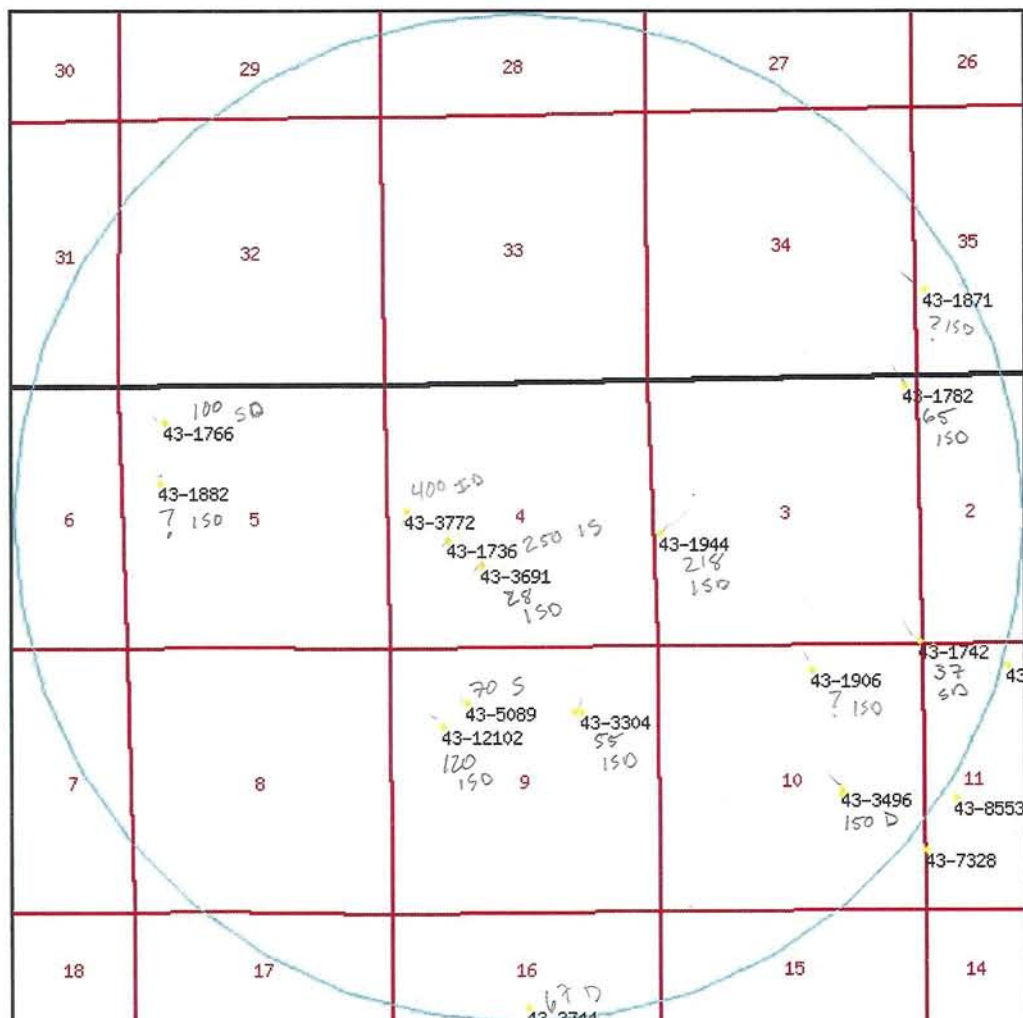


Utah Division of Water Rights

Output Listing

Version: 2009.05.06.00 Rundate: 03/30/2010 10:05 AM

Radius search of 10000 feet from a point S2640 E2640 from the NW corner, section 04, Township 4S, Range 3W, US b&m Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



0 1300 2600 3900 5200 ft

Water Rights

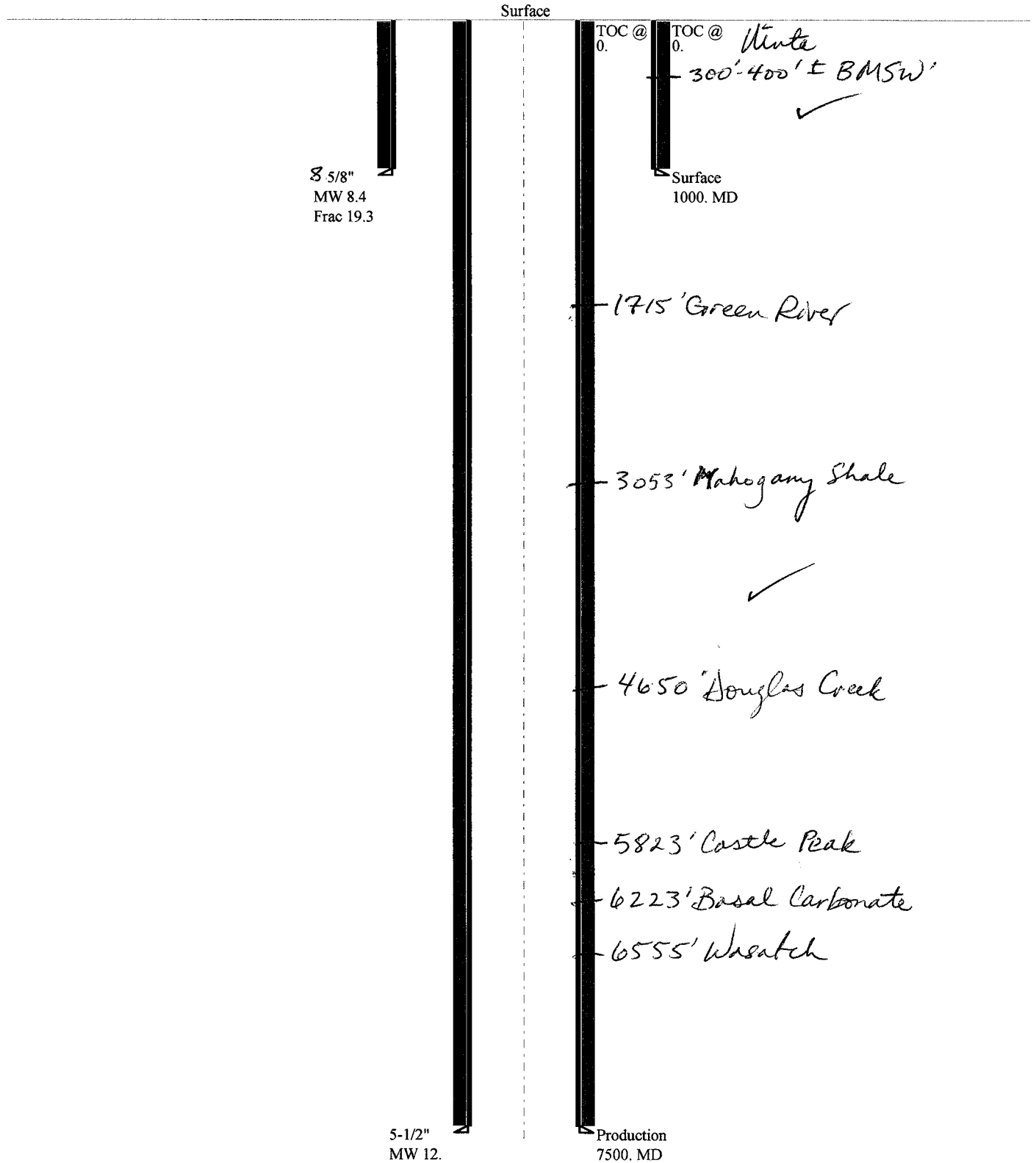
WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
43-10722	Underground S450 E1194 W4 04 4S 3W US	well info	P	19970425	IS	0.000	4.140	STANLEY L. LARSON HC 64 BOX 155-10

<u>43-12102</u>	Underground	<u>well info</u>	A	20080528 DIS	0.000 1.480	ROBERT E. AND JANICE VOMDORP 468 EAST 2050 SOUTH
	N1080 E1020 W4 09 4S 3W US					
<u>43-1736</u>	Underground	<u>well info</u>	P	19420808 DIS	0.015 0.000	ELDEN BRADY BRIDGELAND UT 84021
	S450 E1194 W4 04 4S 3W US					
<u>43-1741</u>	Underground		P	19441118 DS	0.015 0.000	R. M. LINKE DUCHESNE UT 84021
	S50 E200 NW 11 4S 3W US					
<u>43-1742</u>	Underground		P	19450227 DS	0.014 0.000	MALCOLM A. WALTERS DUCHESNE UT 84021
	N60 W60 SE 03 4S 3W US					
<u>43-1766</u>	Underground		P	19470120 DS	0.015 0.000	RAY THOMAS BRIDGELAND UT 84012
	S720 E870 NW 05 4S 3W US					
<u>43-1777</u>	Underground	<u>well info</u>	P	19501202 DIS	0.015 0.000	WOODROW W. NEILSEN BRIDGELAND UT 84012
	S1271 E996 N4 09 4S 3W US					
<u>43-1782</u>	Underground		P	19480614 DIS	0.015 0.000	AUSTIN BEAL BRIDGELAND UT 84012
	S193 W290 NE 03 4S 3W US					
<u>43-1871</u>	Underground		P	19601125 DIS	0.029 0.000	DAVID K. CLAYBURN BRIDGELAND UT 84012
	N1680 E115 SW 35 3S 3W US					
<u>43-1882</u>	Underground		P	19511026 DIOS	0.015 0.000	WELLS O. WRIGHT DUCHESNE UT 84021
	N700 E710 W4 05 4S 3W US					
<u>43-1906</u>	Underground		P	19531113 DIS	0.015 0.000	CEDAR VIEW S.L., LLC 250 SOUTH 2400 EAST
	S500 W2179 NE 10 4S 3W US					
<u>43-1907</u>	Underground		P	19540113 S	0.015 0.000	GLEN VAN TASSELL DUCHESNE UT 84021
	S320 W1640 E4 10 4S 3W US					
<u>43-1944</u>	Underground		P	19310300 DIS	0.067 0.000	CEDAR VIEW S.L., LLC 250 SOUTH 2400 EAST
	N2244 E31 SW 03 4S 3W US					
<u>43-2405</u>	Underground	<u>well info</u>	P	19700609 D	0.015 0.000	CORPORATION OF THE PRESIDING BISHOP LDS CHURCH ATTN: NATURAL RESOURCE SERVICES
	S1080 E1500 NW 09 4S 3W US					
<u>43-2941</u>	Underground		P	19340000 DI	0.015 0.000	DONALD B. AND HELEN SMITH BOX 345
	S455 W975 N4 11 4S 3W US					
<u>43-3304</u>	Underground	<u>well info</u>	P	19620223 DIS	0.038 0.000	KENNETH J. NEILSON BRIDGELAND UT 84012
	S1271 E1116 N4 09 4S 3W US					
<u>43-3496</u>	Underground		P	19540113 D	0.015 0.000	GLEN VAN TASSELL DUCHESNE UT 84021
	S245 W1620 E4 10 4S 3W US					

<u>43-3691</u>	Underground	<u>well info</u>	P	19630313 DIS	0.015 0.000	VERE H. NEILSON S970 E1840 W4 04 4S 3W US BRIDGELAND UT 84012
<u>43-3744</u>	Underground	<u>well info</u>	P	19640227 D	0.015 0.000	DAVID FARNSWORTH N739 W2640 E4 16 4S 3W US BRIDGELAND UT 84012
<u>43-3772</u>	Underground		P	19640731 DI	0.015 0.000	CORPORATION OF THE PRESIDING BISHOP LDS CHURCH ATTN: NATURAL RESOURCE SERVICES N100 E340 W4 04 4S 3W US
<u>43-5089</u>	Underground	<u>well info</u>	P	19660923 S	0.004 0.000	MOON RANCH, LLC S1080 E1500 NW 09 4S 3W US C/O GORDON MOON AND LAMONT MOON
<u>43-7328</u>	Underground	<u>well info</u>	P	19730322 DIOS	0.015 0.000	RICHARD B. FITZGERALD N1200 0 SE 10 4S 3W US STAR ROUTE
<u>43-8553</u>	Underground		P	19791120 DS	0.015 0.730	RICHARD AND VICKIE FITZGERALD S393 E609 W4 11 4S 3W US HC 64 BOX 165

43013343000000 JMD 12-4-4-3

Casing Schematic



Well name:

43013343000000 JMD 12-4-4-3

Operator: JMD Energy

String type: Surface

Project ID:

43-013-34300-0000

Location: Duchesne County

Design parameters:**Collapse**

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 79 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 185 ft

Cement top: Surface

Burst

Max anticipated surface pressure:

880 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 1,000 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 875 ft

Non-directional string.**Re subsequent strings:**

Next setting depth: 7,500 ft

Next mud weight: 12.000 ppg

Next setting BHP: 4,675 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 1,000 ft

Injection pressure: 1,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1000	8.625	36.00	J-55	ST&C	1000	1000	7.7	334
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	436	3450	7.906	1000	4460	4.46	36	434	12.06 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Mining

Phone: 810-538-5357

Date: April 26, 2010
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 1000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	43013343000000 JMD 12-4-4-3		
Operator:	JMD Energy	Project ID:	43-013-34300-0000
String type:	Production		
Location:	Duchesne County		

Design parameters:
Collapse

Mud weight: 12.000 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 170 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 3,025 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 4,675 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 6,135 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	7500	5.5	17.00	N-80	LT&C	7500	7500	4.767	978.9

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4675	6290	1.345	4675	7740	1.66	104	348	3.34 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Mining

Phone: 810-538-5357

Date: April 26, 2010
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 7500 ft, a mud weight of 12 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

BOPE REVIEW

JMD 12-4-4-3

API 43-013-34300-0000

INPUT

Well Name

Casing Size (")

Setting Depth (TVD)

Previous Shoe Setting Depth (TVD)

Max Mud Weight (ppg)

BOPE Proposed (psi)

Casing Internal Yield (psi)

Operators Max Anticipated Pressure (psi)

JMD 12-4-4-3 API 43-013-34300-0000	
String 1	String 2
8 5/8	5 1/2
1000 750	7500
0	750
8.4	12
500	5000
4460	7740
4500	11.5 ppg

Calculations

String 1 8 5/8 "

Max BHP [psi]

.052*Setting Depth*MW = 328

BOPE Adequate For Drilling And Setting Casing at Depth?

MASP (Gas) [psi]

Max BHP-(0.12*Setting Depth) = 238

YES

Air Drill

MASP (Gas/Mud) [psi]

Max BHP-(0.22*Setting Depth) = 163

YES

OK

*Can Full Expected Pressure Be Held At Previous Shoe?

Pressure At Previous Shoe

Max BHP-.22*(Setting Depth - Previous Shoe Depth) = 163

NO

Reasonable depth

Required Casing/BOPE Test Pressure

1000 750

psi

*Max Pressure Allowed @ Previous Casing Shoe =

0

psi

*Assumes 1psi/ft frac gradient

Calculations

String 2 5 1/2 "

Max BHP [psi]

.052*Setting Depth*MW = 4680

BOPE Adequate For Drilling And Setting Casing at Depth?

MASP (Gas) [psi]

Max BHP-(0.12*Setting Depth) = 3780

YES

MASP (Gas/Mud) [psi]

Max BHP-(0.22*Setting Depth) = 3030

YES

*Can Full Expected Pressure Be Held At Previous Shoe?

Pressure At Previous Shoe

Max BHP-.22*(Setting Depth - Previous Shoe Depth) = 3195

NO

Reasonable

Required Casing/BOPE Test Pressure

5000

psi

*Max Pressure Allowed @ Previous Casing Shoe =

1000 750

psi

*Assumes 1psi/ft frac gradient

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO:
Fee

6. SURFACE:
Fee

1A. TYPE OF WORK: DRILL ☒ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME:

B. TYPE OF WELL: OIL ☒ GAS ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☒

8. UNIT or CA AGREEMENT NAME:

2. NAME OF OPERATOR:

JMD Energy

9. WELL NAME and NUMBER:

JMD 12-4-4-3

3. ADDRESS OF OPERATOR:

PO BOX 790203 CITY Vernal

STATE UT

ZIP 84079

PHONE NUMBER:

(435) 790-4163

10. FIELD AND POOL, OR WILDCAT:

Antelope Creek

4. LOCATION OF WELL (FOOTAGES)

565242 X 4445758Y

AT SURFACE: 1832' FSL & 783' FWL

40.161541

AT PROPOSED PRODUCING ZONE: same as above

- 110.233899

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

NWSW 4 4S 3W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:

11.1 miles east of Duchesne

12. COUNTY:

Duchesne

13. STATE:

UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)

537'

16. NUMBER OF ACRES IN LEASE:

115

17. NUMBER OF ACRES ASSIGNED TO THIS WELL:

40

18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)

NA

19. PROPOSED DEPTH:

7,500

20. BOND DESCRIPTION:

9550744420

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):

5291.1 Ungraded

22. APPROXIMATE DATE WORK WILL START:

4/15/2010

23. ESTIMATED DURATION:

30 Days

24.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4	5 5/8 J-55 36#	1,000	Premium Lite II 250 sx 3.38 cf 11.0 ppg
			Class G 400 sx 1.2cf 15.6 ppg
			Calcium Chloride 200 sx 1.10 cf 15.6 ppg
7 7/8	5 1/2 N-80 17#	7,500	Premium Lite II 539 sx 3.3 cf 11.0 ppg
			Class G 400 sx 1.56 cf 14.3 ppg

25.

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- ☒ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☒ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- ☒ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Ginger Bowden

TITLE Agent

SIGNATURE

Ginger Bowden

DATE 2/15/2010

(This space for State use only)

API NUMBER ASSIGNED:

43-013-34300

APPROVAL:

Date: 05-03-10

By: *[Signature]*

(11/2001)

Approved by the
Utah Division of
Oil, Gas and Mining

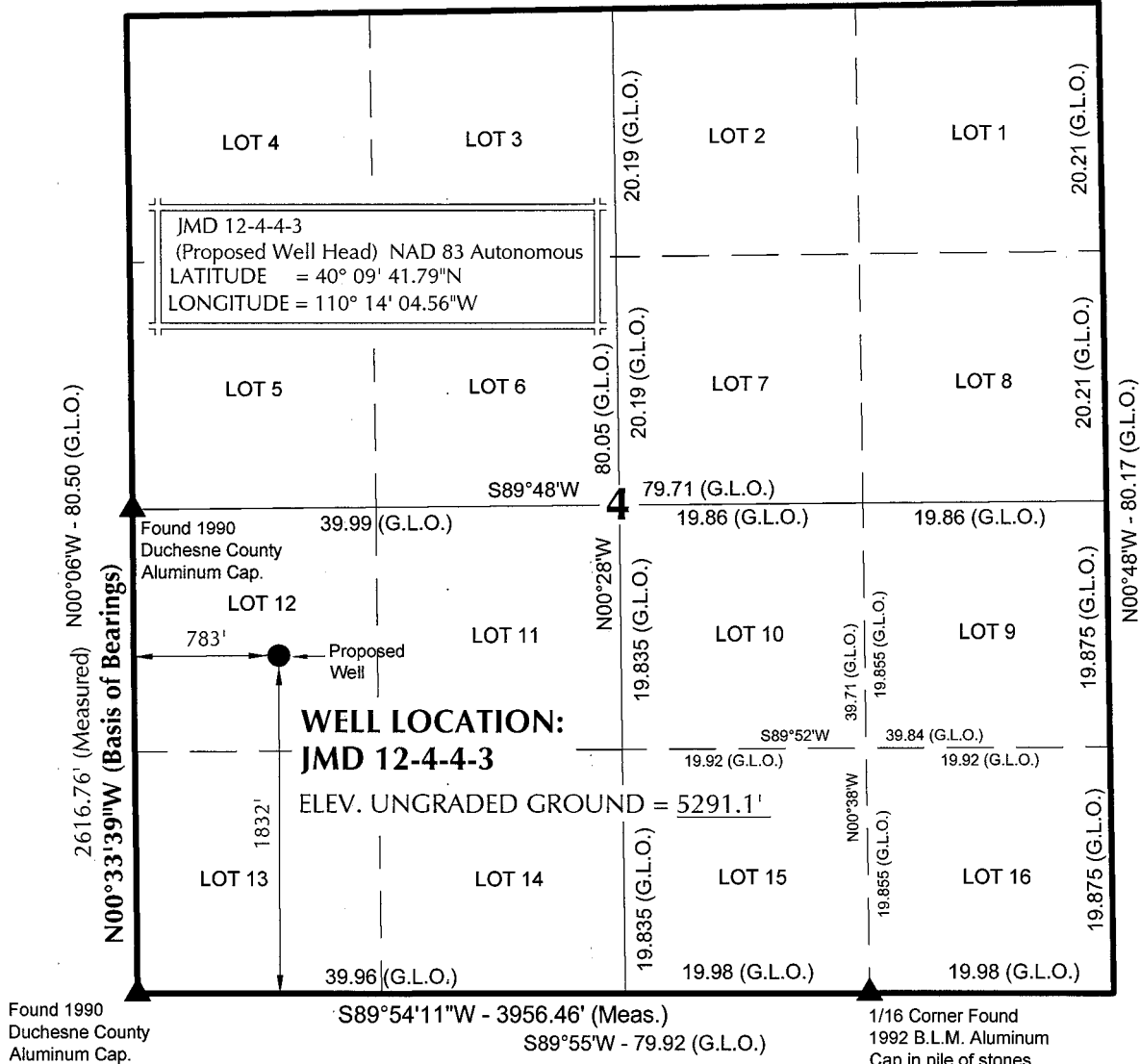
RECEIVED

APR 22 2010

DIV. OF OIL, GAS & MINING

T4S, R3W, U.S.B.&M.

N89°40'E - 80.10 (G.L.O.)



NOTES:

▲ = Section Corners Located

- Well footages are measured at right angles to the Section Lines.
- G.L.O. distances are shown in feet or chains.
1 chain = 66 feet.
- Bearings are based on Global Positioning Satellite observations.
- Basis of elevation is bench mark M14 1934 located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, T4S, R3W, U.S.B.&M. The elevation of this bench marked is shown on the Bridgeland 7.5 min. Quadrangle as being 5297'.

JMD ENERGY

WELL PAD - JMD 12-4-4-3

**JMD 12-4-4-3
WELL PLAT**

**1832' FSL, 783' FWL
LOT 12 OF SECTION 4, T4S, R3W,
U.S.B.&M., DUCHESNE COUNTY, UTAH.**



SCALE

SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

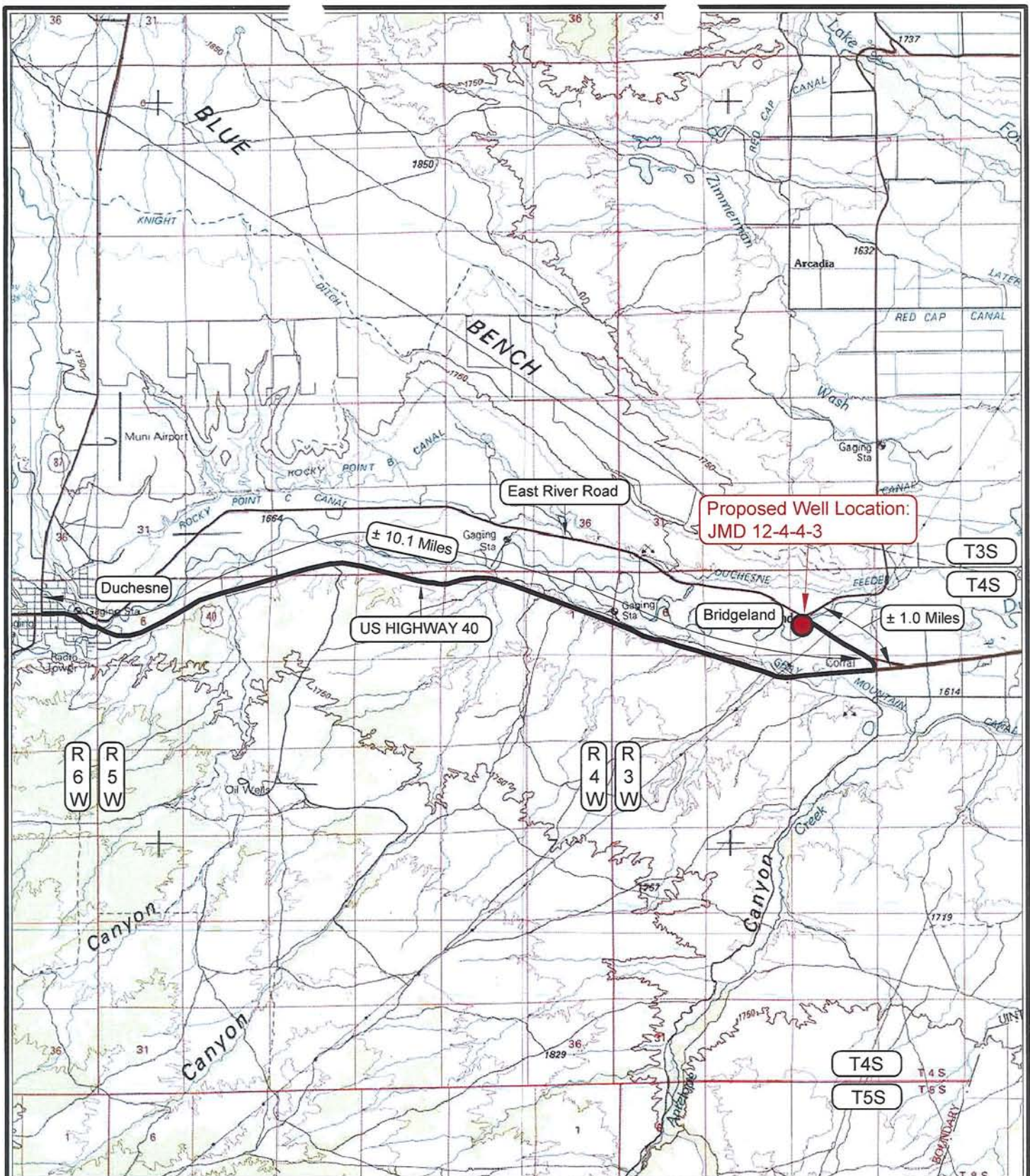
REGISTERED LAND SURVEYOR
No. 362251
KOLBY R.
KY
STATE OF UTAH

TIMBERLINE

(435) 789-1365

ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 09-30-09	SURVEYED BY: B.J.S.	SHEET NO: 2 OF 8
DATE DRAWN: 10-01-09	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised:	



LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)

(B-5460) = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "A"

SCALE: 1:100,000

DRAWN BY: M.W.W.

DATE SURVEYED: 09-30-09

DATE DRAWN: 10-01-09

REVISED:

JMD ENERGY

JMD 12-4-4-3
SECTION 4, T4S, R3W, U.S.B.&M.
1832' FSL & 783' FWL

TIMBERLINE

ENGINEERING & LAND SURVEYING, INC.
 209 NORTH 300 WEST - VERNAL, UTAH 84078

(435) 789-1365

SHEET

6

OF 8

**Ten Point Plan
JMD Energy
JMD 12-4-4-3
Section 4, T4S, R3W, Duchesne County**

1. Surface Formation – Green River

2. Estimated Formation Tops and Datum:

Formation	Depth	Datum
Green River	1,715'	3,576' Oil/Gas
Mahogany Shale	3,053'	2,238'
Douglas Creek	4,690'	601' Oil/Gas
Castle Peak	5,823'	-532' Oil/Gas
Basal Carbonate	6,223'	-932'
Wasatch	6,555'	-1,264' Gas
TD	7,500'	

3. Producing Formation Depth:

Formation objective includes the Green River, Douglas Creek, Castle Peak and Wasatch.

Off set Well information (Wells within a one-mile radius)

4. Proposed Casing and Cement:

Casing Program

<u>HOLE SIZE</u>	<u>CSG. SIZE</u>	<u>#/ Ft.</u>	<u>GRADE</u>	<u>CONNECTION.</u>	<u>DEPTH</u>	<u>CONDITION</u>
12 1/4"	8 5/8"	24#	J-55	ST&C	1000	New
7 7/8"	5 1/2"	17#	N-80	LT&C	T.D.	New

RECEIVED

APR 22 2010

DIV. OF OIL, GAS & MINING

Cementing Program

<u>SECTION</u>	<u>INTERVAL</u>	<u>HOLE SIZE</u>	<u>CSG SIZE</u>	<u>SLURRY</u>
Surface	0 -1000'	12 1/4"	8 5/8"	Lead: 250 sks. +/- + Premium Lite II + .05#/sk Static Free .25#/sk Cello Flake + 5#/sk KOL Seal + .002 gps FP-6L + 10% Bentonite, .5% Sodium Metasilicate + 3% Potassium Chloride <i>Wt: 11.0 ppg Yld: 3.38 ft³ / sx</i> Tail: 400 sks. +/-, Class "G", 2% Calcium Chloride, .25#/sk Cello flake <i>Wt: 15.6 ppg Yld: 1.2ft³/sk</i> Top Job: 200 sks. +/-, 4% Calcium Chloride, .25#/sk Cello Flake <i>Wt: 15.6 ppg Yld: 1.10ft³/sk</i>
Production	0-TD	7 7/8"	5 1/2"	Lead: 539 sks +/-, Premium Lite II + .25#/sk Cello Flake + .05#/sk Static Free + 5#/sk Kol Seal + 3% Potassium Chloride + .055 gps FP-6L + 10% Bentonite + 0.5% Sodium Metasilicate <i>Wt: 11.0 ppg Yld: 3.3 ft³ / sx</i> Tail: 400 sx +/- Class "G" + .05% Static Free + 2 Sodium Chloride + .1% R-3 + 2% Bentonite <i>Wt: 14.3 ppg Yld: 1.56 ft³ / sx</i>

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 5000 psi.

A 5000 psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during drilling operations.

<u>INTERVAL</u>	<u>MUD WEIGHT</u> <u>lbs./gal.</u>	<u>VISCOSITY</u> <u>Sec / Qt</u>	<u>FLUID LOSS</u> <u>ml / 30 mins.</u>	<u>MUD TYPE</u>
0-500	Air/Clean Water	-----	No control	Water/Gel
500- (TD)	8.4-12.0	30	8-10	Water/Gel

7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 500' to T.D.
- d) Logging:
- | Type | Interval |
|----------------------|-------------------|
| DLL/SFL W/GR and SP | T.D. to Surf. Gsg |
| FDC/CNL W/GR and CAL | T.D. to Surf. Gsg |

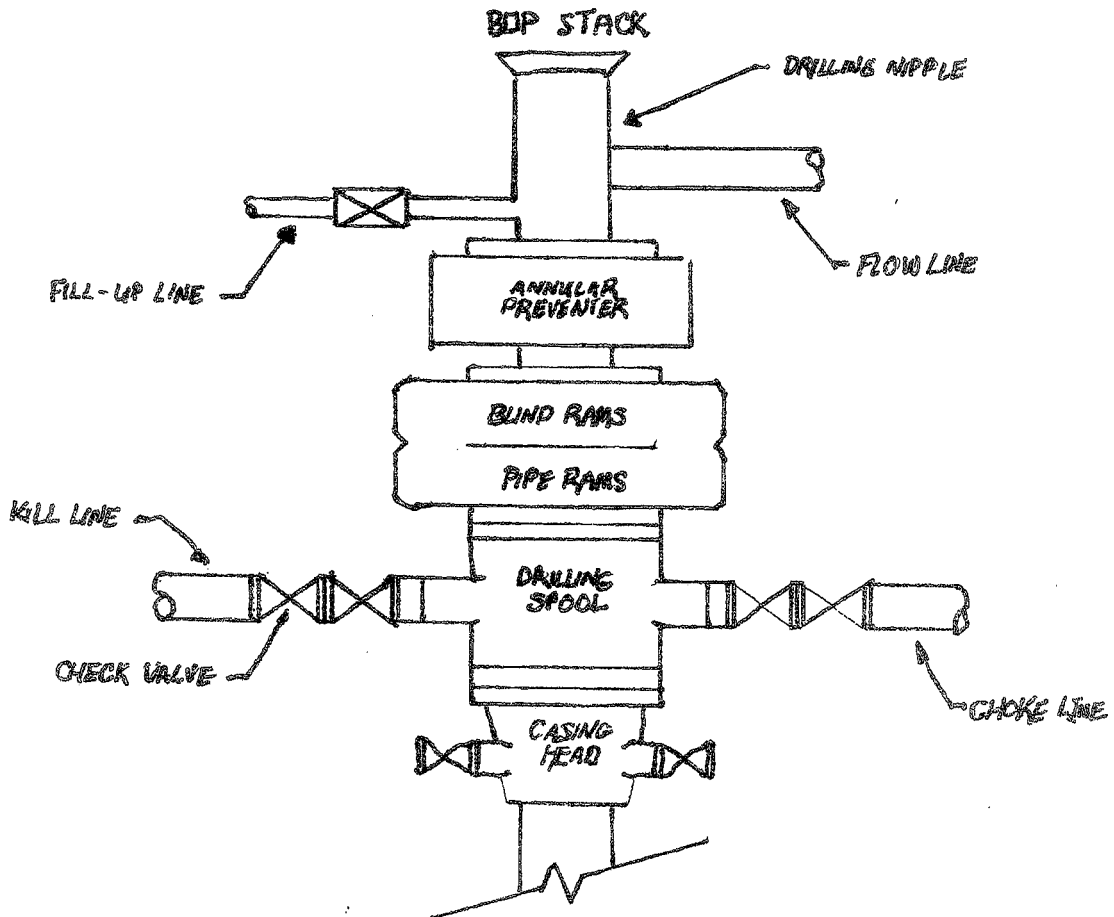
9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H2S.

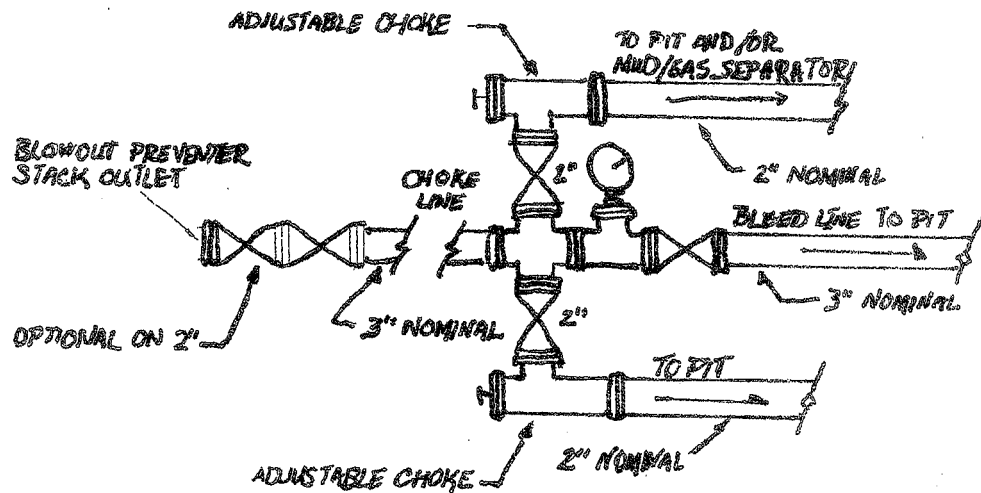
10. Drilling Schedule:

The anticipated starting date is April 15, 2010. Duration of operations is expected to be 30 days.

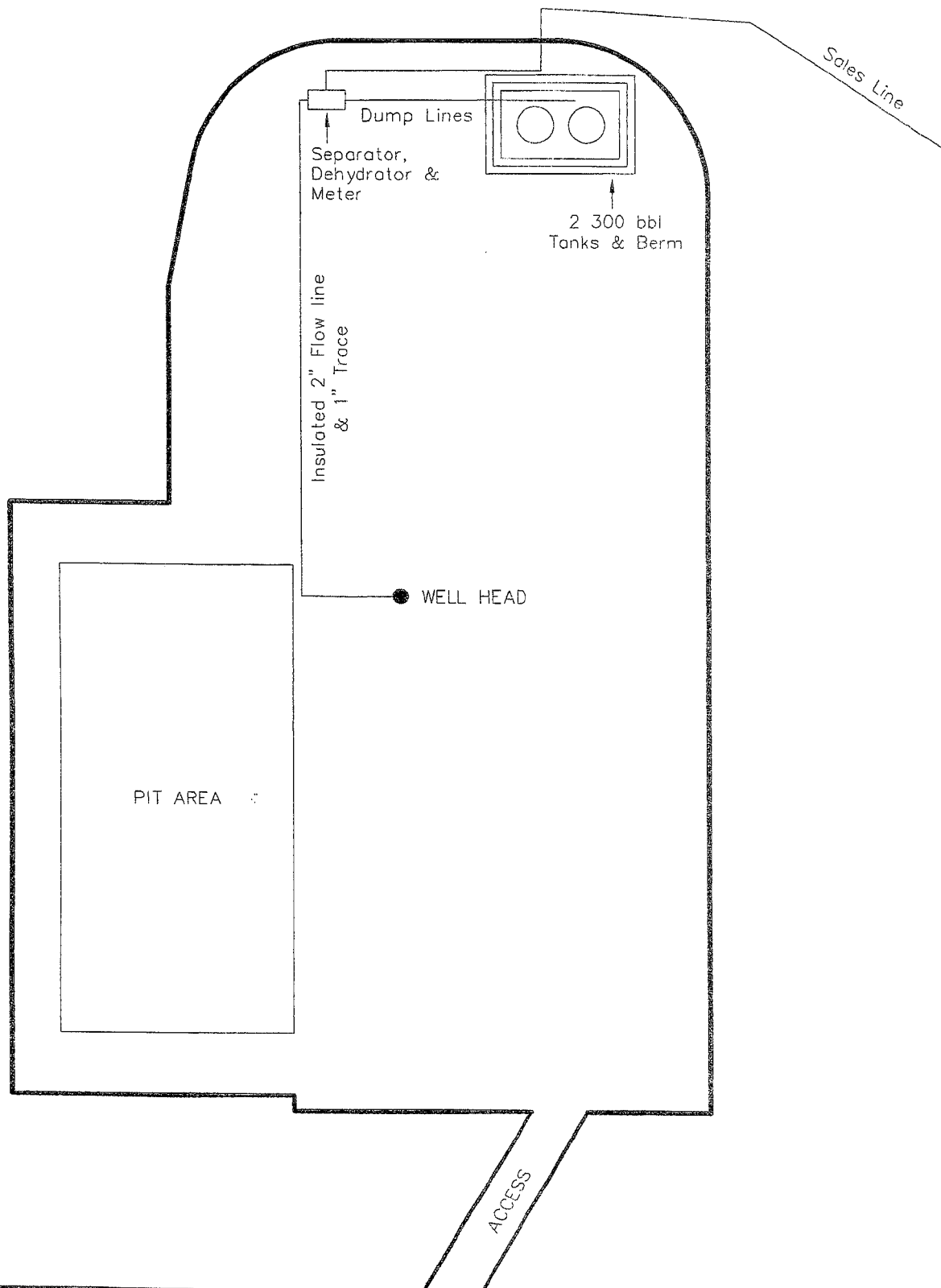
TYPICAL 3,000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i.
CHOKER MANIFOLD SCHEMATIC



TYPICAL PRODUCTION LAYOUT



1. Existing Roads:

**JMD ENERGY
WELL PAD JMD 12-4-4-3
Lot 12, Section 4, T4S, R3W
Duchesne County, UT**

From the intersection of the US Highway 40 and State Highway 87 in Duchesne, UT, proceed in an easterly direction along US Highway 40 approximately 10.1 miles to the junction of East River Road. Exit left and proceed in a northwesterly direction along East River Road approximately 1.0 miles to a private entry road to the southwest. Exit left and proceed in a Southwesterly direction along the private road approximately 90 feet to the proposed access road. Follow road flags in a southwesterly direction approximately 70 feet to the proposed well location.

Total distance from Duchesne, UT to the proposed well location is approximately 11.1 miles in an Easterly direction.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads.

Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 70 feet. The road will be graded once per year minimum and maintained.

**A) Approximate length.....70 ft
B) Right of Way width.....30 ft
C) Running surface.....18 ft
D) Surface material.....Native soil
E) Maximum grade.....8%
F) Fence crossing.....None
G) Culvert.....None
H) Turnouts.....None
I) Major cuts and fills.....None
J) Road Flagged.....Yes
K) Access road surface ownership.....Fee
L) All new construction on lease.....Yes
M) Pipe line crossing.....No**

Please see the attached location plat for additional details.

An off lease right-of-way will not be required.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within
a one-mile radius of the location site.

A) Producing well.....None
B) Water well.....None
C) Abandoned well.....None
D) Temp. abandoned well.....None
E) Disposal well.....None
F) Drilling /Permitted well.....None
G) Shut in wells.....None
H) Injection well.....None
I) Monitoring or observation well.....None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a color determined by the AO. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a gas line will be required. A sundry notice will be filed in the event a pipeline is necessary.

5. Location and type of water supply

Water for drilling and cementing will come from a municipal source at RNI Trucking in Vernal, UT.

6. Source of construction materials

All construction material for this location site and access road shall be barrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

A closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank.

B) Produced fluids:

Produced water will be confined to a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer. Onsite evaporation may be used instead of trucking to facilitate closing and reclamation of the reserve pit. A pumping system would be used for evaporation.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

A) Pad length.....	340 ft.
B) Pad width.....	210 ft.
C) Pit depth.....	None
D) Pit length.....	None
E) Pit width.....	None
F) Max cut.....	2.0 ft.
G) Max fill.....	2.1 ft.
H) Total cut yards.....	2,730
I) Pit location.....	None
J) Top soil location.....	NW & SE Corners
K) Access road location.....	North end
L) Flare Pit.....	Corner C

Due to the proximity to the river, a closed loop system will be used.

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately **1,320** cubic yards of material.

Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled.

All disturbed areas will be re-contoured to the approximate natural contours.

Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Interim Seed Mix

To be determined by the AO and the private land owner.

11. Surface ownership:

Access road.....Fee
Location.....Fee
Pipeline.....Not applicable at this time

12. Other information:

A) Vegetation

The vegetation coverage is consistent with that of a pasture. The majority of the existing vegetation consists of pasture grasses and Russian Olive. Russian thistle and other non native species were also found on the location.

B) Dwellings:

There are eight dwellings or other facilities within a one-mile radius of the location.

C) Archeology:

The location will not be surveyed.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites, will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is the Duchesne River located 250' +/- to the east.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used Without prior approval.

F) Notification:

a) Location Construction

At least forty eight (48) hours prior to construction of location and access roads.

b) Location completion prior to moving on the drilling rig.

c) Spud notice

At least twenty-four (24) hours prior to spudding the well.

d) Casing string and cementing

At least twenty-four (24) hours prior to running casing and cementing all casing strings.

e) BOP and related equipment tests

At least twenty-four (24) hours prior to initial pressure tests.

f) First production notice

Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

g) Local fire authorities will be notified.

G) Flare pit:

A closed loop system will be used for drilling.

13. Lessees or Operator's representative
and certification

A) Representative

Ginger Bowden
Paradigm Consulting
PO BOX 790203
Vernal, UT 84079

Office 435-789-4162
Cellular 435-790-4163

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Operators Certification:

I hereby certify that I, or someone under my direct supervision, have inspected the proposed drill-site and access route proposed herein; that I am familiar with the conditions which currently exist, that I have full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it approved. I also certify that I or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for filing of a false statement.

Executed this 15th day of February, 2010.

Name: Ginger Bowden

Position Title: Agent

Address: PO BOX 790203 Vernal, UT 84079

Telephone: 435-789-4162

Onsite Dates: To be announced

Self Certification Statement

The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised JMD Energy is considered to be the operator of the following well:

**JMD 12-4-4-3
Section 4, T. 4S, R. 3W
NW ¼ of the SW ¼, Lot 12
Lease: FEE
Duchesne County, Utah**


The is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond 9550744420 provides state-wide bond coverage.

Date 02/15/2010

Name: Ginger Bowden

Title: Agent

Signature: 

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals Subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 CFR 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

Paradigm Consulting, INC
Ginger Bowden, Agent for
JMD Energy
PO BOX 790203
Vernal, UT 84079

435-789-4162 Office

Ent 421515 R 4587 P 639
Date: 20-JAN-2010 2:29PM
Fee: \$18.00 Check
Filed By: CC
CAROLYN MADSEN, Recorder
JMD ENERGY
For: JMD ENERGY

SURFACE DAMAGE AND RIGHT-OF-WAY AGREEMENT

THIS AGREEMENT is made by and between Craig Stansfield., herein called "Owner" and JMD Energy, herein called "Operator".

WHEREAS, Owner represents that is the surface owner and in possession of an interest in part or all of the surface estate of the following described lands in Duchesne County, UT, said land herein called "Lands," to

Township 4 South, Range 3 West
Section 4:

Ent 421508 R 4589 P 78
Date: 03-FEB-2010 2:45PM
Fee: \$18.00 Check
Filed By: CC
CAROLYN MADSEN, Recorder
JMD ENERGY
For: JMD ENERGY

WHEREAS, Operator has acquired certain leasehold interests in the oil and gas mineral estate in the Lands and propose to conduct drilling and subsequent production operations in Lot 12 part of the Lands as marked in exhibit "a".

WHEREAS, Owner and Operator desire to minimize any surface damage to the Lands as marked in exhibit "a" and to reach an agreement regarding such surface damage.

NOW, THEREFORE, in consideration of TEN DOLLARS (\$10.00) and other valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Operator shall pay Owner a sum of money, pursuant to a letter agreement dated December 1, 2009, as full settlement and satisfaction of all damages growing out of, incident to, or in connection with the usual and customary exploration, drilling, completion, reworking, equipping and production operations, in regard to the following:

- a. the well-site(s) located on said Lands:
- b. any lands used for road purpose, production facilities, pipelines, flowlines or other necessary facilities in connection with the well-site(s); and
- c. a right-of-way across Owner's Lands for ingress and egress to the well-site(s) and associated facilities for the life of the well as marked on exhibit "b".

2. If, by reasons directly resulting from the operations of Operator, there is damage to real or personal property upon the Lands which is not associated with usual and customary operations, such as (but not limited to) damage to livestock, structures, buildings, fences, culverts, cement ditches, irrigation systems, and natural water ways, such damage will be repaired or replaced by Operator, or Operator will pay reasonable compensation to Owner for such additional damage.

3. In conducting operations on the Lands, Operator shall:

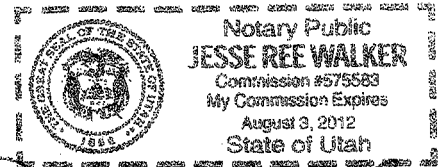
- a. Limit the size of such well-site(s) to that size reasonably necessary for conducting its' drilling, completion, re-completion or work-over operations. See exhibit "c"
- b. Separate the top soil at the time of excavation of pits so that the soil and subsurface soil be placed back in proper order as nearly as possible. See exhibit "c"
- c. Reclaim the well-site(s) as nearly as practicable to its original condition and if the location is in pasture, reseed the location with native grasses. Weather permitting, reclamation operations shall be completed as soon as is feasible following drilling and subsequent related operations, unless Operator and Owner mutually agree to postponement because of crop or other considerations.
- d. Use its best efforts to keep the well and battery sites free of weeds and debris.

4. Owner shall receive additional compensation for pipelines, other than flowlines, pursuant to a Letter Agreement dated December 1, 2009, at customary compensation for rights of way.
5. When the word "Operator" is used in the Agreement, it shall also mean the successors and assigns of JMD Energy, including but not limited to its employees and officers, agents, affiliates, contractors, subcontractors and/or purchasers.
6. Owner shall receive additional compensation for pipelines and roads, other than the one road and pipeline into the well site **JMD 12-4-4-3**, at customary compensation for right-of-way.
See exhibit "b".
7. This agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties.

Dated this 1st day of December, 2009.

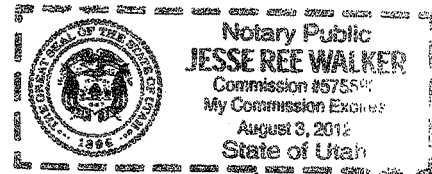
By: Ginger Borden (Ginger Borden)
Agent for

JMD Energy



Jesse Ree Walker

By: Craig Stansfeld
Craig Stansfeld
Owner



Jesse Ree Walker

1955年5月25日

100-443887-100



 = Section Corners Located

- ### SURVEYOR'S CERTIFICATE

REGISTERED LAND SURVEYOR
REGISTRATION NO. 362251
STATE OF UTAH

WELL PAD - JMD 12-4-4-3

(435) 789-1365

ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

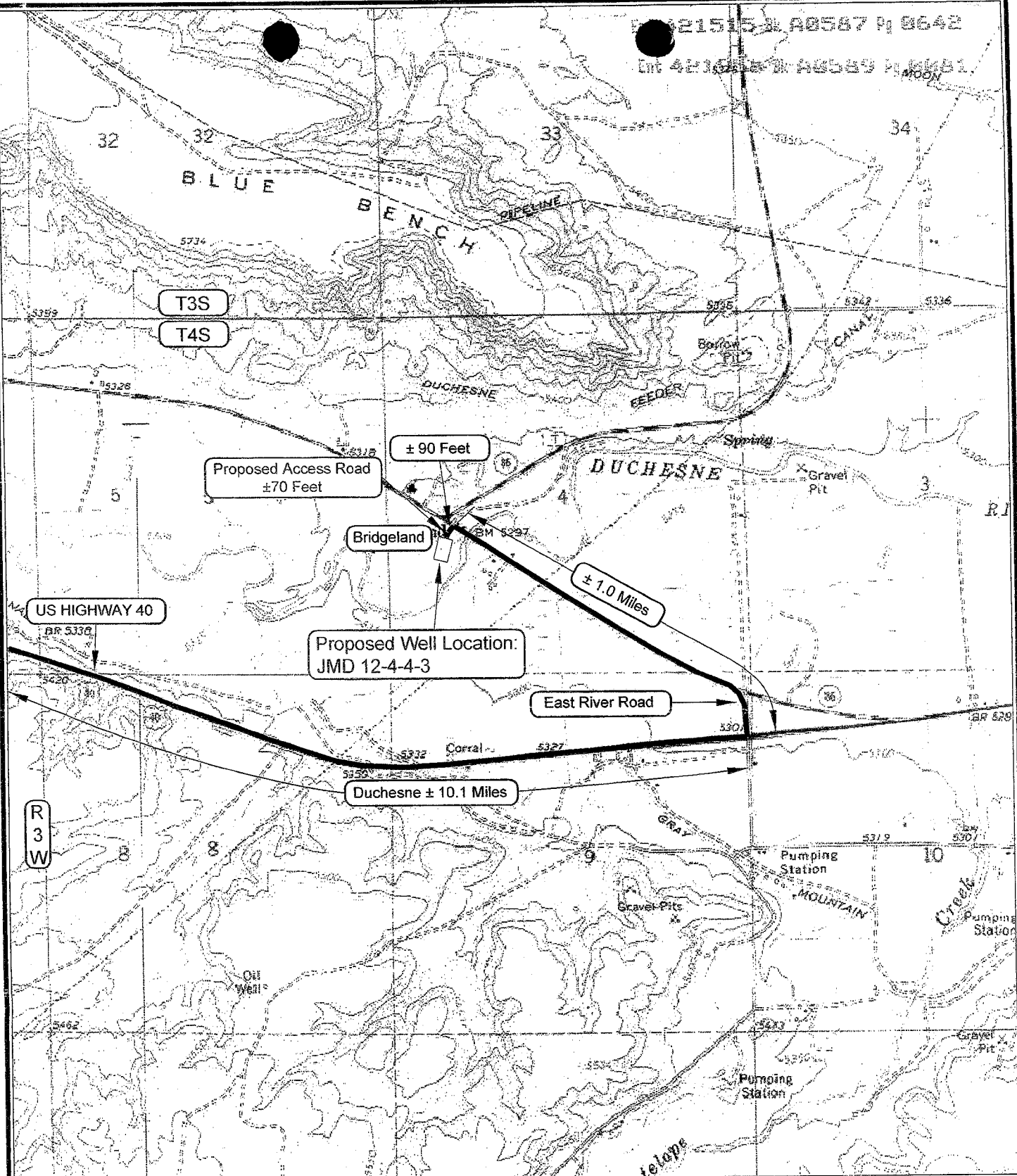
DATE SURVEYED: 09-30-09	SURVEYED BY: B.J.S.	SHEET NO: 2 OF 8
DATE DRAWN: 10-01-09	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised:	

2

OF 8

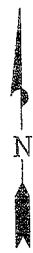
**LOT 12 OF SECTION 4, T4S, R3W,
U.S.B.&M., DUCHESNE COUNTY, UTAH.**

21515 N. A0587 P. 8642
Int 421515 N. A0589 P. 8681



LEGEND

- | | |
|--------------------------------------|---|
| PROPOSED ACCESS ROAD | B-5460 = COUNTY ROAD CLASS & NUMBER |
| --- = SUBJECT WELL | --- = LEASE LINE AND / OR PROPERTY LINE |
| --- = OTHER WELLS | |
| --- = EXISTING ROAD | |
| --- = EXISTING ROAD (TO BE IMPROVED) | |



JMD ENERGY

JMD 12-4-4-3
SECTION 4, T4S, R3W, U.S.B.&M.
1832' FSL & 783' FWL

TOPOGRAPHIC MAP "B"

DATE SURVEYED: 09-30-09
DATE DRAWN: 10-01-09
REVISED:

SCALE: 1" = 2000'
DRAWN BY: M.W.W.

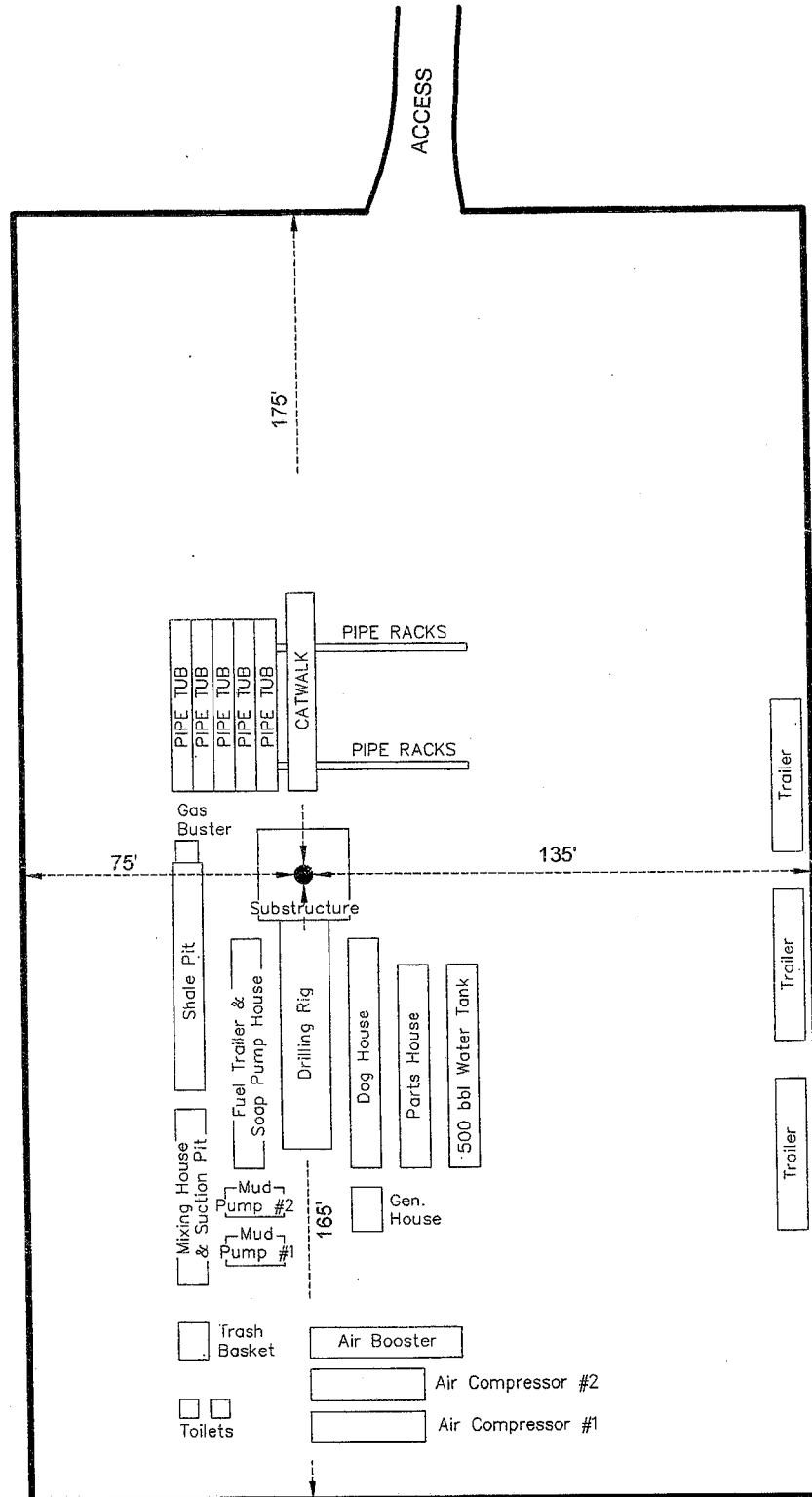
TIMBERLINE
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

(435) 789-1365

SHEET
7
OF 8

JMD ENERGY

TYPICAL RIG LAYOUT - JMD 12-4-43



Section 4, T4S, R3W, U.S.B.&M.		Qtr/Qtr Location: LOT 12		Footage Location: 1832' FSL & 783' FWL	
Date Surveyed: 09-30-09	Date Drawn: 10-01-09	Date Last Revision:	TIMBERLINE ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078		(435) 789-1365 SHEET 5 OF 8
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'			

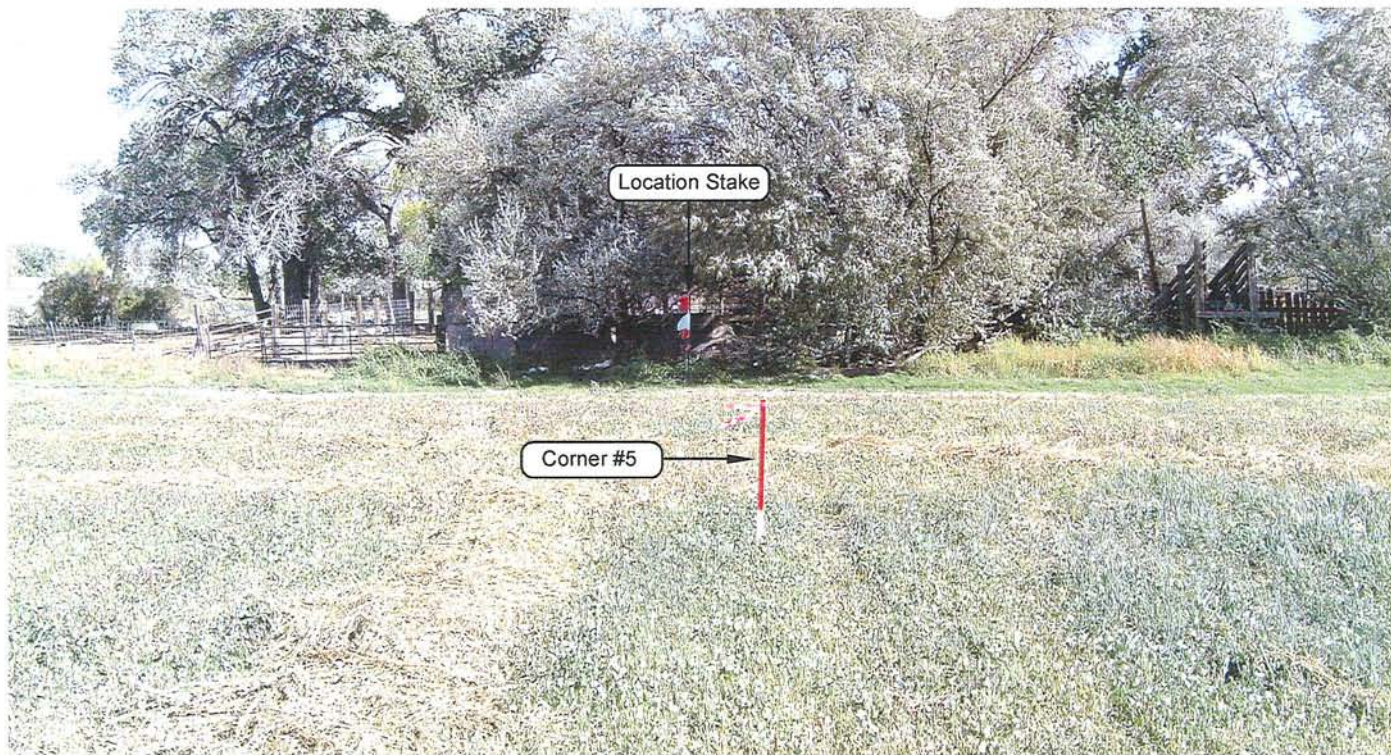


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHERLY

JMD ENERGY

Well Pad - JMD 12-4-4-3

JMD 12-4-4-3
LOCATION PHOTOS
1832' FSL, 783' FWL

LOT 12 OF SECTION 4, T4S, R3W,
U.S.B.&M., DUCHESNE COUNTY, UTAH.

TIMBERLINE

(435) 789-1365

ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE PHOTOS TAKEN:
09-30-09

PHOTOS TAKEN BY: B.J.S.

SHEET NO:

DATE DRAWN:
10-01-09

DRAWN BY: M.W.W.

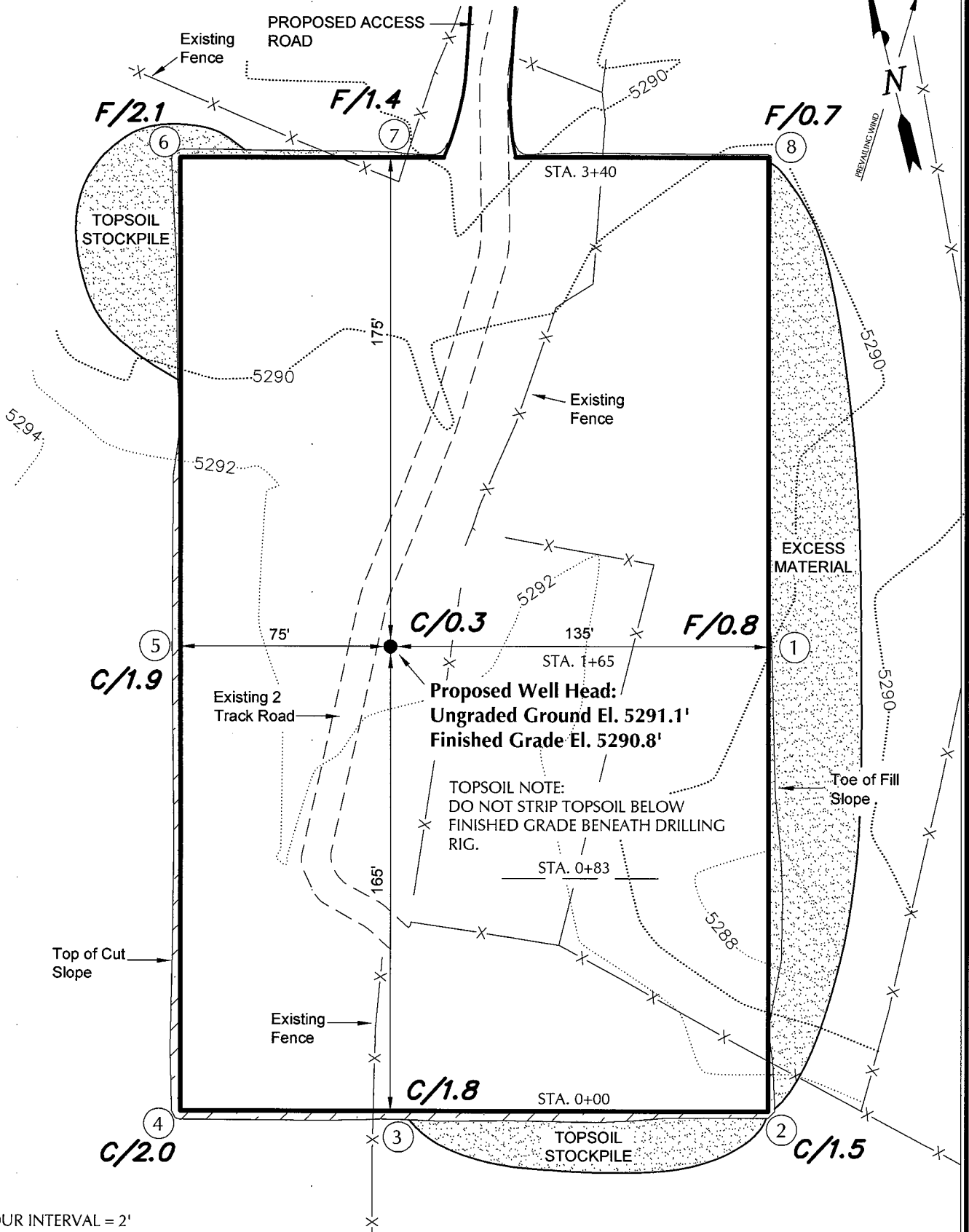
1

Date Last Revised:

OF 8

JMD ENERGY

CUT SHEET - JMD 12-4-4-3

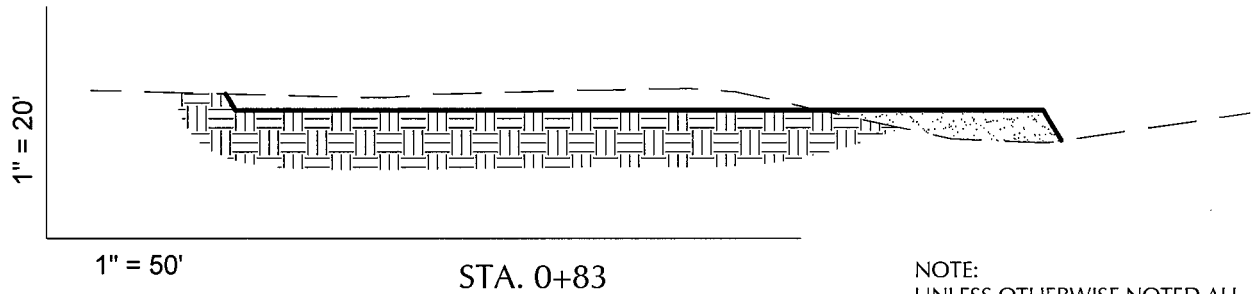
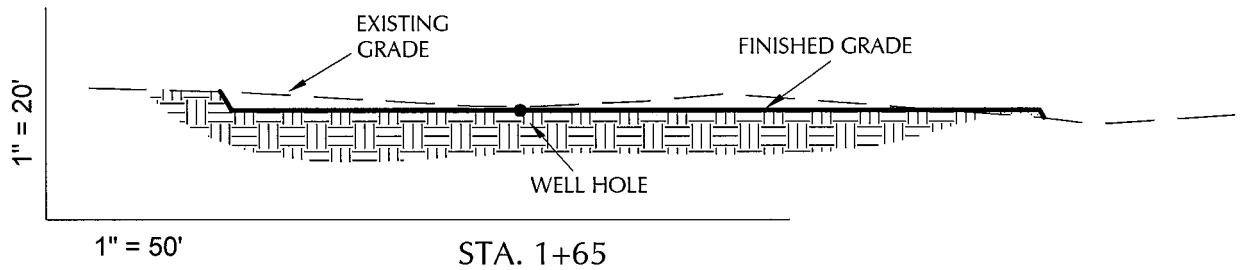
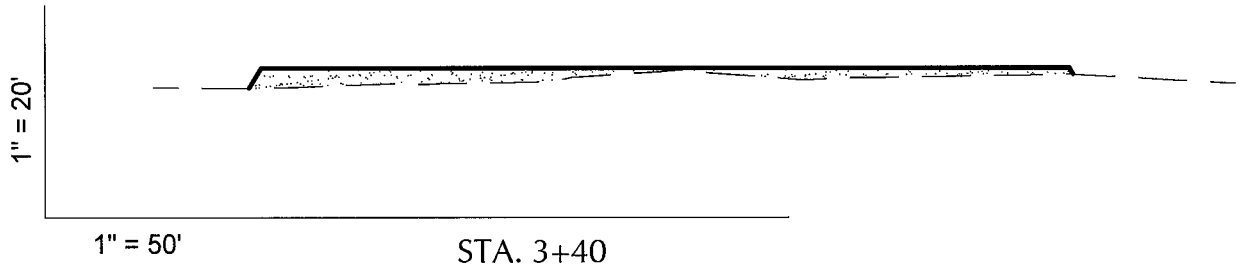


CONTOUR INTERVAL = 2'

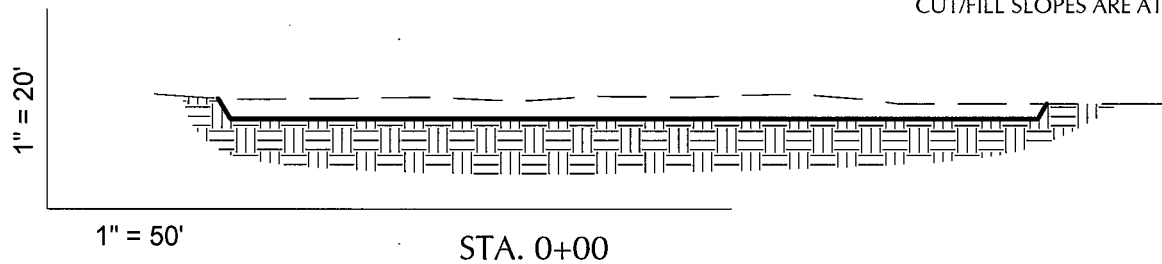
Section 4, T4S, R3W, U.S.B.&M.		Qtr/Qtr Location: LOT 12		Footage Location: 1832' FSL & 783' FWL	
Date Surveyed: 09-30-09	Date Drawn: 10-01-09	Date Last Revision:	TIMBERLINE (435) 789-1365 ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078		SHEET 3 OF 8
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'			

JMD ENERGY

CROSS SECTION - JMD 12-4-4-3



NOTE:
UNLESS OTHERWISE NOTED ALL
CUT/FILL SLOPES ARE AT 1.5:1



REFERENCE POINTS

125' NORTHWESTERLY = 5293.3'
175' NORTHWESTERLY = 5294.2'
215' SOUTHWESTERLY = 5292.7'
265' SOUTHWESTERLY = 5292.8'

ESTIMATED EARTHWORK QUANTITIES

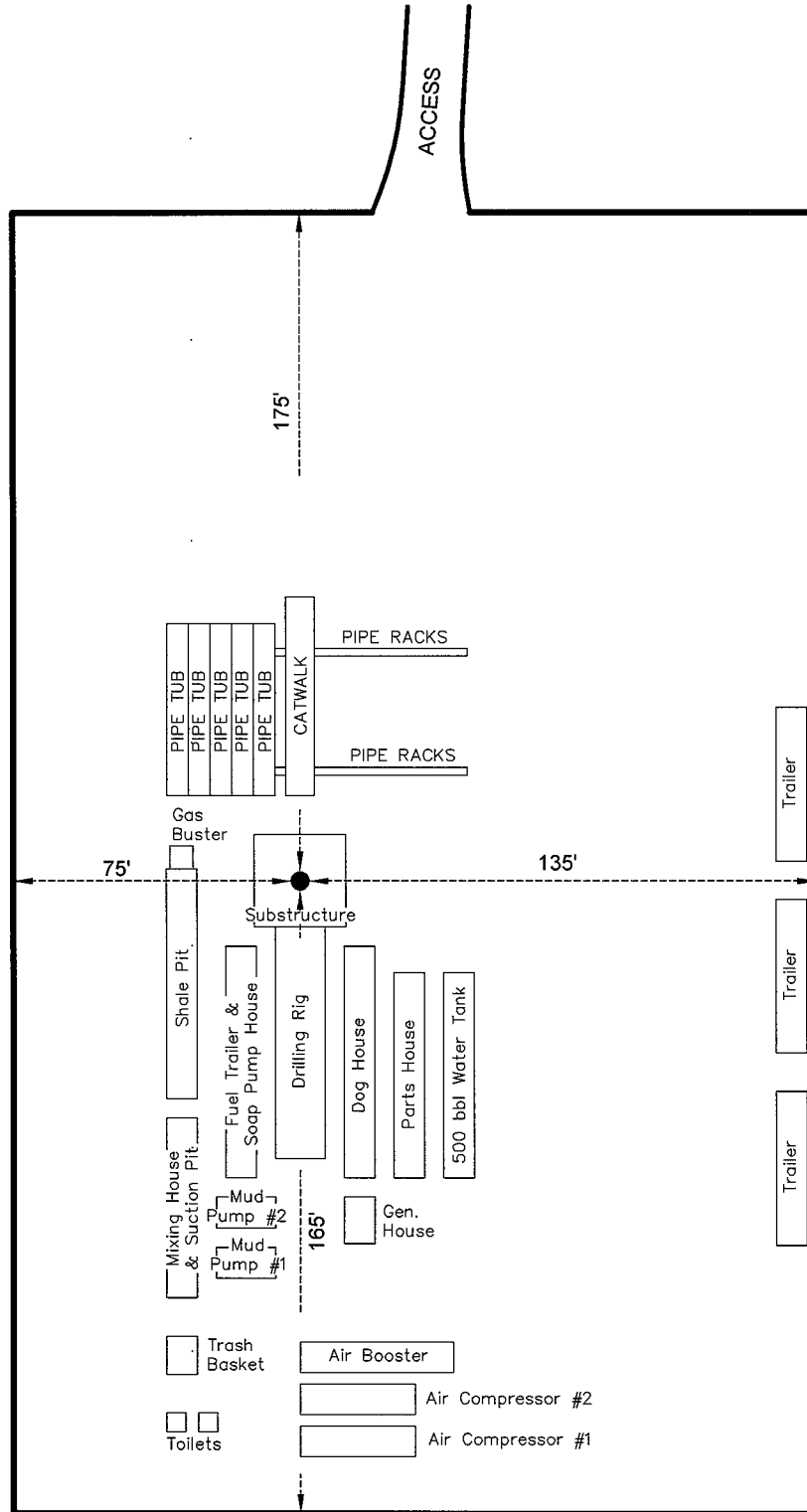
(No shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

CUT	Excess Material	= 1,320
6" Topsoil Stripping = 1,320	Topsoil	= 1,320
Remaining Location = 1,410		
TOTAL CUT = 2,730	Excess Unbalance	= 0
FILL = 1,410	(After Rehabilitation)	

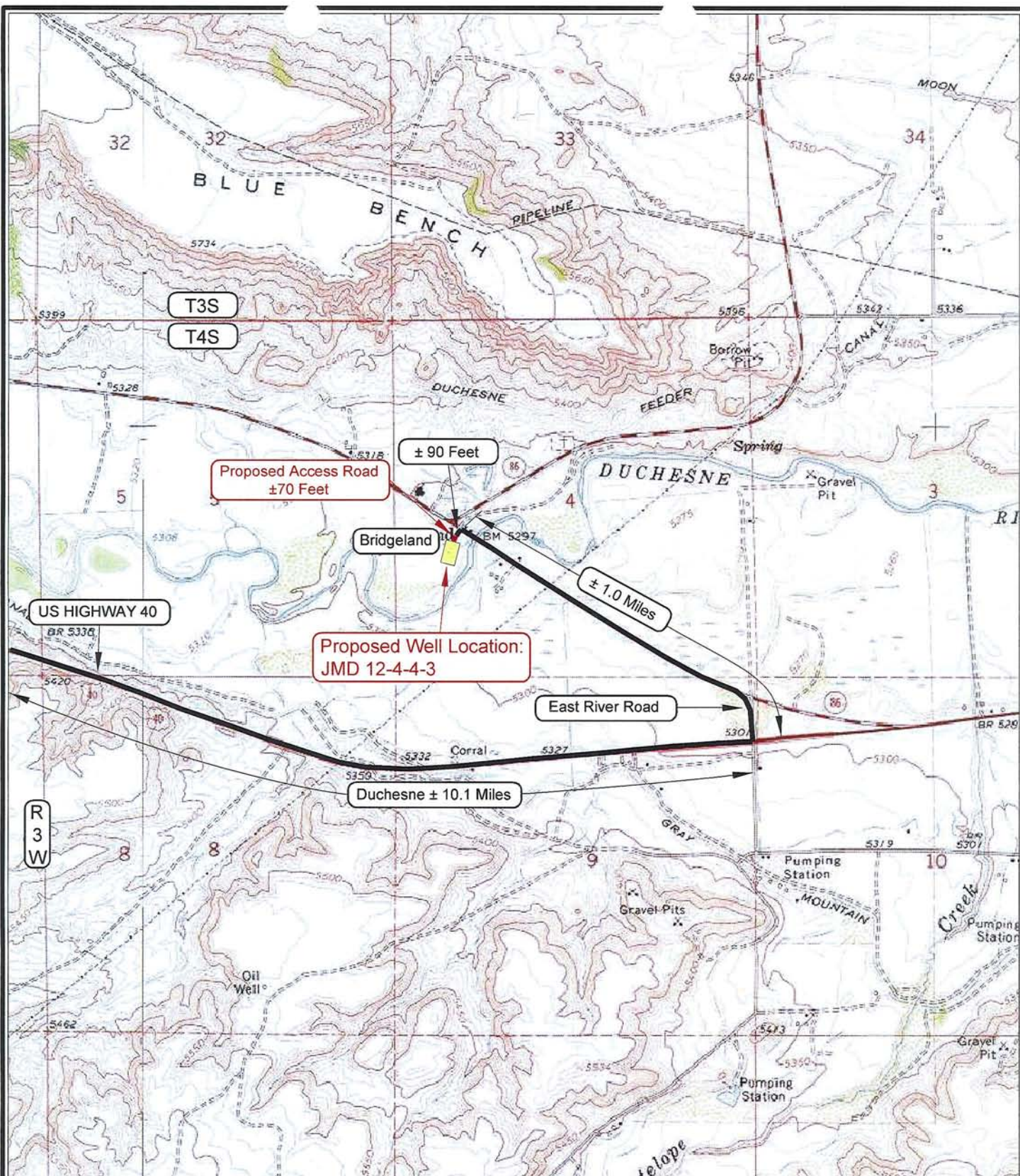
Section 4, T4S, R3W, U.S.B.&M.		Qtr/Qtr Location: LOT 12		Footage Location: 1832' FSL & 783' FWL	
Date Surveyed: 09-30-09	Date Drawn: 10-01-09	Date Last Revision:	TIMBERLINE (435) 789-1365 ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078		SHEET 4 OF 8
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'			

JMD ENERGY

TYPICAL RIG LAYOUT - JMD 12-4-4-3



Section 4, T4S, R3W, U.S.B.&M.		Qtr/Qtr Location: LOT 12		Footage Location: 1832' FSL & 783' FWL	
Date Surveyed: 09-30-09	Date Drawn: 10-01-09	Date Last Revision:	TIMBERLINE (435) 789-1365 ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078		SHEET 5 OF 8
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'			



LEGEND

PROPOSED ACCESS ROAD
 --- = SUBJECT WELL
 --- = OTHER WELLS

— = EXISTING ROAD
 — = EXISTING ROAD (TO BE IMPROVED)

(B-5460) = COUNTY ROAD CLASS & NUMBER
 — = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "B"

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

DATE SURVEYED: 09-30-09

DATE DRAWN: 10-01-09

REVISED:

JMD ENERGY

JMD 12-4-4-3
SECTION 4, T4S, R3W, U.S.B.&M.
1832' FSL & 783' FWL

TIMBERLINE

ENGINEERING & LAND SURVEYING, INC.
 209 NORTH 300 WEST - VERNAL, UTAH 84078

(435) 789-1365

SHEET

7
 OF 8

OF 8



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 3, 2010

JMD Energy Inc
PO Box 790203
Vernal, UT 84079

Subject: JMD 12-4-4-3 Well, 1832' FSL, 783' FWL, NW SW, Sec. 4, T. 4 South, R. 3 West,
Duchesne County, Utah

Ladies and Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-34300.

Sincerely,

Gil Hunt
Associate Director

GLH/js
Enclosures

cc: Duchesne County Assessor

Operator: JMD Energy Inc

Well Name & Number JMD 12-4-4-3

API Number: 43-013-34300

Lease: Fee

Location: NW SW **Sec.** 4 **T.** 4 South **R.** 3 West

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels
OR
Submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- Within 24 hours of making any emergency changes made to the approved drilling program – contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Any changes to the approved drilling plan – contact Dustin Doucet
- Significant plug back of the well – contact Dustin Doucet
- Plug and abandonment of the well – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Carol Daniels (801) 538-5284 office
- Dustin Doucet (801) 538-5281 office
(801) 733-0983 after office hours
- Dan Jarvis at: (801) 538-5338 office
(801) 942-0871 after office hours

3. **Reporting Requirements:**

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) - due within 30 days after completion
- Well Completion Report (Form 8) - due within 30 days after completion or plugging

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. The Application for Permit to Drill has been forwarded to the Resource Development Coordinating Committee for review of this action. You will be required to comply with any applicable recommendations resulting from this review.

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:

JMD ENERGY

3. ADDRESS OF OPERATOR:

PO BOX 790203

CITY VERNAL

STATE UT

ZIP 84079

PHONE NUMBER:

(435) 790-4163

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1832 FSL & 783 FWL

COUNTY: DUCHESNE

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 4 4S 3W

STATE:

UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT or CA AGREEMENT NAME:

NA

8. WELL NAME and NUMBER:

JMD 12-4-4-3

9. API NUMBER:

4301334300

10. FIELD AND POOL, OR WILDCAT:

ANTELOPE

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input checked="" type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The operator respectfully requests permission to drill an additional 2,000 feet beyond the permitted 7,500 feet currently approved. The operator believes the Wasatch formation is significantly deeper than originally anticipated.

Please find the attached cement program.

Casing is as follows:

7 7/8 hole

5 1/2 casing

N-80

44.6# 17# as originally permitted per Ginger Bowden 6/24/10 DCD

COPY SENT TO OPERATOR

Date: 7.6.2010

Initials: KS

NAME (PLEASE PRINT) Ginger Bowden

TITLE Agent

SIGNATURE

Ginger Bowden

DATE 6/24/2010

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 6/24/10

BY: *[Signature]*

(See Instructions on Reverse Side)

RECEIVED

JUN 24 2010

DIV. OF OIL, GAS & MINING

HALLIBURTON

Jmd Energy
PO Box 911809
St. George, Utah 84790

JMD 12-4-4-3

Duchesne County, Utah
United States of America
S:4 T:4S R:3W
API/UWI 43-013-34300

Production Casing Cement Recommendation

Prepared for: Jim Hogue

June 10, 2010
Version: 1

Submitted by:
Robert Kruger
Halliburton
1085 E Main
Vernal, Utah 84078
435.781-7550

HALLIBURTON

*Halliburton appreciates the opportunity to present
this proposal and looks forward to being of service to you.*

Foreword

Enclosed is our recommended procedure for cementing the casing strings in the referenced well. The information in this proposal includes well data, calculations, materials requirements, and cost estimates. This proposal is based on information from our field personnel and previous cementing services in the area.

Halliburton Energy Services recognizes the importance of meeting society's needs for health, safety, and protection of the environment. It is our intention to proactively work with employees, customers, the public, governments, and others to use natural resources in an environmentally sound manner while protecting the health, safety, and environmental processes while supplying high quality products and services to our customers.

We appreciate the opportunity to present this proposal for your consideration and we look forward to being of service to you. Our Services for your well will be coordinated through the Service Center listed below. If you require any additional information or additional designs, please feel free to contact myself or our field representative listed below.

Prepared by: _____
Theodore Groff
Procedure Analyst

Submitted by: _____
Robert Kruger
Technical Advisor

SERVICE CENTER:	Vernal
SERVICE COORDINATOR:	Mike Still / Cody Slaugh
PSL DISTRICT MANAGER:	Christopher Jerez
TECHNOLOGY MANAGER:	Russell Stimatze
PHONE NUMBER:	435.789.2550

Cementing Best Practices

1. Cement quality and weight: You must choose a cement slurry that is designed to solve the problems specific to each casing string.
2. Waiting time: You must hold the cement slurry in place and under pressure until it reaches its initial set without disturbing it. A cement slurry is a time-dependent liquid and must be allowed to undergo a hydration reaction to produce a competent cement sheath. A fresh cement slurry can be worked (thickening or pump time) as long as it is in a plastic state and before going through its transition phase. If the cement slurry is not allowed to transition without being disturbed, it may be subjected to changes in density, dilution, settling, water separation, and gas cutting that may lead to a lack of zonal isolation and possible bridging in the annulus.
3. Pipe movement: Pipe movement may be one of the single most influential factors in mud removal. Reciprocation and/or rotation mechanically breaks up gelled mud and changes the flow patterns in the annulus to improve displacement efficiency.
4. Mud properties (for cementing):

Rheology:

Plastic Viscosity (PV) < 15 centipoise (cp)

Yield Point (YP) < 10 lb/100 ft²

These properties should be reviewed with the mud engineer, drilling engineer, and company representative(s) to ensure no hole problems are created.

Gel Strength:

The 10-second/10-minute gel strength values should be such that the 10-second and 10-minute readings are close together or flat (i.e., 5/6). The 30-minute reading should be less than 20 lb/100 ft². Sufficient shear stress may not be achieved on a primary cement job to remove mud left in the hole if the mud were to develop more than 25 lb/100 ft² of gel strength.

Fluid Loss:

Decreasing the filtrate loss into a permeable zone enhances the creation of a thin, competent filter cake. A thin, competent filter cake created by a low fluid loss mud system is desirable over a thick, partially gelled filter cake. A mud system created with a low fluid loss will be more easily displaced. The fluid loss value should be < 15 cc's (ideal would be 5 cc's).

5. Circulation: Prior to cementing circulate full hole volume twice, or until well conditioned mud is being returned to the surface. There should be no cutting in the mud returns. An annular velocity of 260 feet per minute is optimum (SPE/IADC 18617), if possible.
6. Flow rate: Turbulent flow is the most desirable flow regime for mud removal. If turbulence cannot be achieved, pump at as high a flow rate that can practically and safely be used to create the maximum flow energy. The highest mud removal is achieved when the maximum flow energy is obtained.
7. Pipe Centralization: Cement will take the path of least resistance, therefore proper centralization is important to help prevent the casing from contacting the borehole wall. A minimum standoff of 70% should be targeted for optimum displacement efficiency.
8. Rat hole: A weighted viscous pill placed in the rat hole prior to cementing will minimize the risk of higher density cement mixing with lower density mud when the well is static.
9. Top and Bottom plugs: A top and bottom plug are recommended to be run on all primary casing jobs. The bottom plug should be run after the spacer and ahead of the first cement slurry.
10. Spacers and flushes: Spacers and/or flushes should be used to prevent contamination between the cement slurry and the drilling fluid. They are also used to clean the wellbore and aid with bonding. To determine the volume, either a minimum of 10 minutes contact time or 1000 ft. of annular fill, whichever is greater, is recommended.

Job Information

5.5" Production Casing: Foamed Option

Well Name: JMD

Well #: 12-4-4-3

7 7/8" Hole

1000 - 9500 ft (MD)

Inner Diameter

7.875 in

Job Excess

50 %

5.5" Casing

0 - 9500 ft (MD)

Outer Diameter

5.500 in

Inner Diameter

4.974 in

Linear Weight

15 lbm/ft

8 5/8" Casing

0 - 1000 ft (MD)

Outer Diameter

8.625 in

Inner Diameter

8.097 in

Linear Weight

24 lbm/ft

Mud Weight

11 lbm/gal

BHCT

140 degF

Job Recommendation 5.5" Production Casing: Foamed Option

Fluid Instructions

Fluid 1: Reactive Spacer

Superflush 101

Fluid Density: 10 lbm/gal

Fluid Volume: 40 bbl

Fluid 2: Water Spacer

Water

Fluid Density: 8.34 lbm/gal

Fluid Volume: 10 bbl

Fluid 3: HalSeal

HALSEAL (TM) SYSTEM

0.4 % HR-800 (Retarder)

Fluid Weight 14.30 lbm/gal

Slurry Yield: 1.24 ft³/sk

Total Mixing Fluid: 5.44 Gal/sk

Top of Fluid: 0 ft

Calculated Fill: 9000 ft

Volume: 404.60 bbl

Calculated Sacks: 1351.36 sks

Proposed Sacks: 1355 sks

Fluid 4: HalCem

HALCEM (TM) SYSTEM

0.4 % HR-800 (Retarder)

Fluid Weight 14.30 lbm/gal

Slurry Yield: 1.24 ft³/sk

Total Mixing Fluid: 5.44 Gal/sk

Top of Fluid: 9000 ft

Calculated Fill: 500 ft

Volume: 24.22 bbl

Calculated Sacks: 109.34 sks

Proposed Sacks: 110 sks

Fluid 5: Water Spacer

Displacement

Fluid Density: 8.34 lbm/gal

Fluid Volume: 227.24 bbl

Detailed Pumping Schedule

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Downhole Volume
1	Spacer	Reactive Spacer	10.0	40 bbl
2	Spacer	Spacer	8.3	10 bbl
3	Cement	Foamed Lead Cement	14.3	1355 sks
4	Cement	Tail Cement	14.3	110 sks
5	Spacer	Displacement Fluid	8.3	227.24 bbl

Foam Output Parameter Summary:

Fluid #	Fluid Name	Unfoamed Liquid Volume	Beginning Density lbm/gal	Ending Density lbm/gal	Beginning Rate scf/bbl	Ending Rate scf/bbl
Stage 1						
3	HalSeal	299.42bbl	11.0	11.0	23.1	601.8

Foam Design Specifications:

Foam Calculation Method: Constant Density
Backpressure: 200 psig
Bottom Hole Circulating Temp: 140 degF
Mud Outlet Temperature: 110 degF

Calculated Gas = 96331.8 scf
Additional Gas = 40000 scf
Total Gas = 136331.8 scf

Cost Estimate

5.5" Production Casing: Foamed Option

SAP Quote # 0

Mtrl Nbr	Description	Qty	U/M	Unit Price	Gross Amt	Net Amt
7523	CMT PRODUCTION CASING BOM	1	JOB		0.00	0.00
	Equipment & Services					
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	120 1	MI	5.76	691.20	241.92
1	ZI-MILEAGE FROM NEAREST HES BASE,/UNIT Number of Units	120 4	MI	9.79	4,699.20	1,644.72
16091	ZI - PUMPING CHARGE DEPTH FEET/METERS (FT/M)	1 9500 FT	EA	12,307.00	12,307.00	4,307.45
16092	ADDITIONAL HOURS (PUMPING EQUIPMENT), ZI HOURS	0 1	EA	1,071.00	0.00	0.00
141	RCM II W/ADC,/JOB,ZI NUMBER OF UNITS	1 1	JOB	1,990.00	1,990.00	696.50
130104	PORT. DATA ACQUIS. W/OPTICEM RT W/HES DAYS OR PARTIAL DAY(WHOLE NO.)	1 1	EA	2,549.00	2,549.00	892.15
114	R/A DENSOMETER W/CHART RECORDER,/JOB,ZI NUMBER OF UNITS	1 1	JOB	1,285.00	1,285.00	449.75
90	ZI QUICK LATCH ATTACHMENT SIZE IN INCHES/MILLIMETER INCHES/MILLIMETERS (IN/MM)	1 5.5 IN	JOB	491.00	491.00	171.85
74038	ZI PLUG CONTAINER RENTAL-1ST DAY DAYS OR FRACTION (MIN1)	1 1	EA		1,322.00	462.70
16115	FIELD STORAGE BIN ON SITE >8 HRS,DAY,ZI DAYS OR PARTIAL DAY(WHOLE NO.)	1 1	EA	1,344.00	1,344.00	470.40
11941	FIELD STORAGE BIN DELIVERY, ZI Number of Units	120 1	MI	9.79	1,174.80	411.18
	Zoneseal Charges					
130443	ZONESEAL CERTIFIED SPECIALIST H/DAY/MO TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	1 8	H	298.00	2,384.00	834.40
222	ZI-ZONESEAL EQUIPMENT PACKAGE DAYS OR FRACTION (MIN5)	1 1	EA		8,980.00	3,143.00
213	AUTO FOAMER INJECTION PUMP,0-4HRS,ZI HOURS OR FRACTION (MIN4)	1 4	EA		4,604.00	1,611.40
14780	ZONESEAL ISOLATION PROCESS DEPTH FEET/METERS (FT/M)	1 9500 FT	FT	19,509.00	19,509.00	6,828.15
	Materials					
12199	SUPERFLUSH 101	1681	GAL	6.79	11,413.99	3,994.90
452987	HALSEAL (TM) SYSTEM	1355	SK		87,299.91	30,554.96
101619742	HR-800	446	LB	11.07	4,937.22	1,728.03
452986	HALCEM (TM) SYSTEM	110	SK		7,096.08	2,483.62
101619742	HR-800	37	LB	11.07	409.59	143.36
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN NUMBER OF TONS	60 64.27	MI	3.35	12,918.27	4,521.39
3965	HANDLE&DUMP SVC CHRg, CMT&ADDITIVES,ZI NUMBER OF EACH	1646 1	CF	5.49	9,036.54	3,162.79
	Surcharges					

HALLIBURTON

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>	<u>Net Amt</u>
7	ENVIRONMENTAL CHARGE,/JOB,ZI	1	JOB	134.00	134.00	134.00
8	IRON SAFETY INSPECTION SURCHARGE /JOB ZI	1	JOB	83.00	83.00	83.00
86954	ZI FUEL SURCHG-CARS/PICKUPS<1 1/2TON	120	MI	0.15	54.00	54.00
	Number of Units	3				
87605	ZI FUEL SURCHG-CMT & CMT ADDITIVES	60	MI	0.15	578.43	578.43
	NUMBER OF TONS	64.27				
86955	ZI FUEL SURCHG-HEAVY TRKS >1 1/2 TON	120	MI	0.45	216.00	216.00
	Number of Units	4				
372867	Cmt PSL - DOT Vehicle Charge, CMT	5	EA	241.00	1,205.00	1,205.00
	Total	USD				198,712.23
	Discount	USD				127,687.18
	Discounted Total	USD				71,025.05

Primary Plant: Vernal, UT, USA
Secondary Plant: Vernal, UT, USA

Price Book Ref: 01 Western US
Price Date: 6/10/2010

HALLIBURTON

SAP Quote # 0

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>	<u>Net Amt</u>
342210	N2 BOM-Foam Cementing w/o CT	1	JOB		0.00	0.00
353672	N2 Pmp Chg; 0-4K SCFM/0-113 SCMM PUMPING PRESSURE PRESSURE UNITS (PSI/MPA/BAR)	1 5000 PSI	UN	4,030.00	4,030.00	2,015.00
16260	NON PUMPING TIME IN EXCESS OF 4 HOURS HOURS OR FRACTION (MIN4)	2 4	EA		3,624.00	1,812.00
3567	MILEAGE FOR NITROGEN EQUIPMENT Number of Units	120 1	MI	9.79	1,174.80	587.40
3575	N2 WITHOUT CREW, STANDBY CHG NUMBER OF DAYS	1 1	EA	2,227.00	2,227.00	1,113.50
13459	LIQUID NITROGEN	1363.32	SCF	6.92	9,434.17	4,717.08
	Surcharges					
87054	N2 HEAVY TRUCKS (> 11/2 TONS)/MILE Number of Units	120 1	MI	0.45	54.00	54.00
87053	N2 CARS-PICKUPS (< 11/2 TONS)/MILE Number of Units	120 1	MI	0.15	18.00	18.00
373155	N2 DOT Vehicle Charge	1	EA	241.00	241.00	241.00
	Total	USD				20,802.97
	Discount	USD				10,244.99
	Discounted Total	USD				10,557.98

Primary Plant: Vernal, UT, USA
Secondary Plant: Vernal, UT, USA

Price Book Ref: 01 Western US
Price Date: 6/10/2010

Casing/Sales Equipment 5.5" Production Casing: Foamed Option

SAP Quote # 0

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>	<u>Net Amt</u>
100004476	CTRZR ASSY,5 1/2 CSG X 7 7/8 HOLE,HINGED	75	EA	146.00	10,950.00	3,066.00
100004761	CLR,FLT,5-1/2 LG 8RD,14-23 PPF,P-110	1	EA	1,339.50	1,339.50	375.06
100004888	SHOE,FLT,5-1/2 8RD,P-110,2-3/4 SSII	1	EA	1,143.00	1,143.00	320.04
101237390	PLUG,CMTG,TOP,5 1/2,HWE,4.38 MIN/5.09 MA	1	EA	207.00	207.00	57.96
100005045	KIT,HALL WELD-A	1	EA	74.30	74.30	20.80
101237389	PLUG,CMTG,BOT,5 1/2,HWE,4.38 MIN/5.09 MA	1	EA	207.00	207.00	57.96
	Total	USD				13,920.80
	Discount	USD				10,022.98
	Discounted Total	USD				3,897.82

Primary Plant: Vernal, UT, USA
Secondary Plant: Vernal, UT, USA

Price Book Ref: 01 Western US
Price Date: 6/10/2010

Conditions

NOTE

The cost in this analysis is good for the materials and/or services outlined within and shall be valid for 30 days from the date of this proposal. In order to meet your needs under this proposal with a high quality of service and responsive timing, Halliburton will be allocating limited resources and committing valuable equipment and materials to your area of operations. Accordingly, the discounts reflected in this proposal are available only for materials and services awarded on a first-call basis. Alternate pricing may apply in the event that Halliburton is awarded work on any basis other than as a first-call provider.

The unit prices stated in the proposal are based on our current published prices. The projected equipment, personnel, and material needs are only estimates based on information about the work presently available to us. At the time the work is actually performed, conditions then existing may require an increase or decrease in the equipment, personnel, and/or material needs. Charges will be based upon unit prices in effect at the time the work is performed and the amount of equipment, personnel, and/or material actually utilized in the work. Taxes, if any, are not included. Applicable taxes, if any, will be added to the actual invoice.

It is understood and agreed between the parties that with the exception of the subject discounts, all services performed and equipment and materials sold are provided subject to Halliburton's General Terms and Conditions contained in our current price list, (which include LIMITATION OF LIABILITY and WARRANTY provisions), and pursuant to the applicable Halliburton Work Order Contract (whether or not executed by you), unless a Master Service and/or Sales Contract applicable to the services, equipment, or materials supplied exists between your company and Halliburton, in which case the negotiated Master Contract shall govern the relationship between the parties. A copy of the latest version of our General Terms and Conditions is available from your Halliburton representative or at:

<http://www.halliburton.com/terms> for your convenient review, and we would appreciate receiving any questions you may have about them. Should your company be interested in negotiating a Master Contract with Halliburton, our Law Department would be pleased to work with you to finalize a mutually agreeable contract. In this connection, it is also understood and agreed that Customer will continue to execute Halliburton usual field work orders and/or tickets customarily required by Halliburton in connection with the furnishing of said services, equipment, and materials.

Any terms and conditions contained in purchase orders or other documents issued by the customer shall be of no effect except to confirm the type and quantity of services, equipment, and materials to be supplied to the customer.

If customer does not have an approved open account with Halliburton or a mutually executed written contract with Halliburton, which dictates payment terms different than those set forth in this clause, all sums due are payable in cash at the time of performance of services or delivery of equipment, products, or materials. If customer has an approved open account, invoices are payable on the twentieth day after date of invoice.

Customer agrees to pay interest on any unpaid balance from the date payable until paid at the highest lawful contract rate applicable, but never to exceed 18% per annum. In the event Halliburton employs an attorney for collection of any account, customer agrees to pay attorney fees of 20% of the unpaid account, plus all collection and court costs.

Well name:	43013343000000 JMD 12-4-4-3rev.	
Operator:	JMD Energy	Project ID:
String type:	Production	43-013-34300-0000
Location:	Duchesne County	

Design parameters:
Collapse

Mud weight: 12.000 ppg
 Internal fluid density: 2.330 ppg

Minimum design factors:
Collapse:

Design factor 1.125

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 198 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 368 ft

Burst:

Design factor 1.00

Cement top: Surface → OK

Burst

Max anticipated surface pressure: 3,832 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP 5,922 psi

5 in 30 PE Proposed
max press @ Surf. shoe = 1000 psi
max anticipated = 4052 @ 12 ppg partially evacuated hole

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Non-directional string.

No backup mud specified.

Tension is based on buoyed weight.

Neutral point: 7,771 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9500	5.5	17.00	N-80	LT&C	9500	9500	4.767	1240
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4772	6290	1.318 ✓	5922	7740	1.31 ✓	132	348	2.63 J ✓

Prepared by: Dustin K. Doucet
 Div of Oil, Gas & Mining

Phone: 810-538-5281

Date: June 24, 2010
 Salt Lake City, Utah

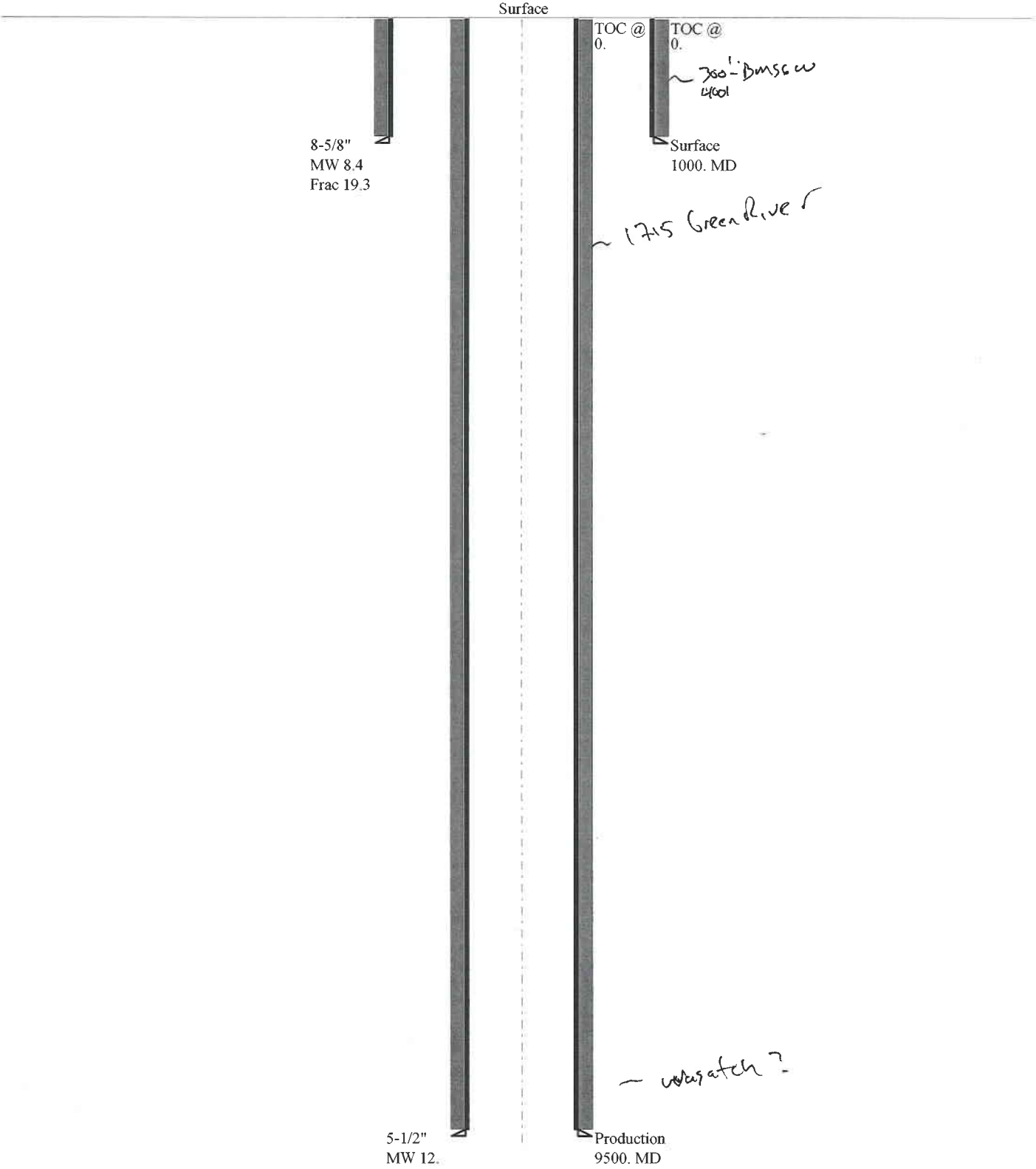
ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 9500 ft, a mud weight of 12 ppg. An internal gradient of .121 psi/ft was used for collapse from TD to Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

43013343000000 JMD 12-4-4-3rev.
Casing Schematic



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
JMD 12-4-4-3

9. API NUMBER:
4301334300

10. FIELD AND POOL, OR WILDCAT:
Antelope Creek

1. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

2. NAME OF OPERATOR:

JMD Energy

3. ADDRESS OF OPERATOR:

PO BOX 911809

CITY ST GEORGE

STATE UT

ZIP 84791

PHONE NUMBER:

(435) 671-1255

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1832' FSL & 783' FWL

COUNTY: Duchesne

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 4 4S 3W

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Drilling reports</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Day 1: MAY 23, 2010 Cement 20" @ 19.7 Ft, With 2.25 Yards Of Ready Mix Cement Fill 20" To Surface After We Pump All Of Water From Well Bore We Will Shut Down Till Monday

Day2: Shut down

Day 3: Drill Out Cement In 20" To 20 Ft, Drill Mouse Hole To 10 Ft, & Set 14" Pipe Drill & Hammer 14" Pipe To 30 Ft, For Rat

Day 4: Cement Bottom Of Cellar Ring W/ 2 Ft, Of Ready Mix & Level Location for drilling rig

Day 5: Waiting on Drilling Rig

Day 6: Waiting on Drilling Rig

Day 7: Waiting on Drilling Rig

Day 8: Waiting on Drilling Rig

Day 9: Waiting on Drilling Rig

Day 10: Move In Matting Boards & Sub Structure

Day 11: Continue To Move In Drilling Rig DHS, Rig 18# & Start Rigging Up

Day 12: Continue To Move In Drilling Rig DHS, Rig 18# & Start Rigging Up

Day 13: Rigging Up Rig DHS, Has 2 Electricians Working On Rig

Day 14: Rigging Up Rig DHS, Has 2 Electricians Working On Rig

Day 15: Rigging Up Rig DHS, Has 2 Electricians Working On Rig, Welder Nipple Up 20" Flow Nipple & Flow Line, M,B,T, Trucking Filled Mud Pits W/ Water, Shut Down For Night Rig Is Idle

NAME (PLEASE PRINT) GINGER BOWDEN

TITLE AGENT

SIGNATURE

DATE 8/26/2010

(This space for State use only)

RECEIVED

AUG 26 2010

CONFIDENTIAL FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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JMD 12-4-4-3

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10. FIELD AND POOL, OR WILDCAT:
Antelope Creek

1. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:

JMD Energy

3. ADDRESS OF OPERATOR:

PO BOX 911809

CITY **ST GEORGE**

STATE **UT**

ZIP **84791**

PHONE NUMBER:

(435) 671-1255

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **1832' FSL & 783' FWL**

COUNTY: **Duchesne**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWSW 4 4S 3W**

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
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	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Drilling reports</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

DAY 16: drill to 45 ft, kb

DAY 17: drill actual f/46 t50, drill actual f/50 t/85, Drilling Cobble Rocks, Drig, Of, Rocks @ 62 Ft, Gray Clay & Shale

DAY 18: Drilling & TD @ 121 FT, Ran 14" Conductor Halliburton Cemented To Surface, Drill F/ 85 T/121, Rig Up & Run 14" Casing Weld Same, Safety Meeting W/ Halliburton Cement Conductor To Surface

DAY 19: Drilling Surface, drlg cement from 100 ft/ to 674, DEVEATION 1/4 DEGREE

DAY 20: Drilling Surface Run Pipe 8.5/8, Drill Actual F/674 T/ 1000, Drop Survey tooth Id, 8 " dc & reamer shock sub mud motor bit t/ run casing, circ, casing w/ rig pump while halliburton rigs up, safety meeting w/ halliburton start cementing surface

DAY 21: Nipple Up B,O,P, Stack, Halliburton Cement Surface Casing, Wait 2 Hrs, Check Cement Top Rig Down Halliburton & Release Wait On Cement To Cure, Cut Off Pipe Weld On Well Head F/ Seaboard, Nipple Up Bop Stack

DAY 22: Change Out B,O,P, Stack, Nipple Up B,O,P, Work On Choke Lines, Test BOP & Safety Valves, Change Upper Kelly Valve Nipple Down BOP & Wait On A Different One To Be Hotshoted F/ Casper

DAY 23: Nipple Down BOP Break Down Hydril & Rams Wait On New BOPS, Unload BOP & Nipple Same, Nipple Up BOP Function Test Bop Set Cat Walk & Beaver Slide In Place, W, O, Tester, Test Bop stack, test upper kelly valve pipe rams inside kill valve inside choke hcr valves, choke manifold blind rams all @ 250 psi f/ 5 min 3500 psi f/ 10 min, casing test f/30 min @ 1500 psi annular tested 2500 f/ 10 min

DAY 24: rig down tester, strap & pick up new bha, trip in 5 stands dc, 1 std, dp, cut & slip 100 ft, drilling line, pick up kelly & make connection, repair rig replace swedge on swivel, tag drill cement @ 924ft float collar @ 939ft shoe @ 981 ft, drlg f/ 984 t/ 1500

NAME (PLEASE PRINT) **GINGER BOWDEN**

TITLE **AGENT**

SIGNATURE _____

DATE **8/26/2010**

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AUG 26 2010

CONFIDENTIAL
FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
JMD 12-4-3

9. API NUMBER:
4301334300

10. FIELD AND POOL, OR WILDCAT:
Antelope Creek

1. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:
JMD Energy

3. ADDRESS OF OPERATOR:
PO BOX 911809 CITY **ST GEORGE** STATE **UT** ZIP **84791**

PHONE NUMBER:
(435) 671-1255

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **1832' FSL & 783' FWL**

COUNTY: **Duchesne**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWSW 4 4S 3W**

STATE: **UTAH**

11. **CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Drilling reports
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

DAY 24: rig down tester, strap & pick up new bha, trip in 5 stands dc, 1 std, dp, cut & slip 100 ft, drilling line, pick up kelly & make connection, repair rig replace swedge on swivel, tag drill cement @ 924ft float collar @ 939ft shoe @ 981 ft, drlg f/ 984 t/ 1520

DAY 25: drill f/1520 t/2185

DAY 26: drill f/2185 t/3070 survey @ 2516 ft, 2 degrees

DAY 27: drill f/ 3070 t/ 3512 survey @ 3050 ft, = 2 1/4 deg,

DAY 28: drill f/ 3512 t/ 4329 survey @ 4297 = 3.5 = deg,

DAY 29: drill f/ 4329 t/ 4961 survey @ 4960, = 3 = deg,

DAY 30: drill f/ 4961 t/ 5171 survey @ 5149 ft, 3.5 deg,

DAY 31: drill f/ 5171 t/ 5565 survey @ 5556, ft, = 4 = deg,

DAY 32: drill f/ 5565 t/ 6320 survey @ 6038 = 4 = deg,

DAY 33: drlg f/ 6320 t/ 6470 scr, # 3 went down drlg w/ 1 # pump, trip to bottom

DAY 34: drlg f/ 6470 t/ 7247 survey, @ 7009 = 5 = deg,

DAY 35: drlg f/ 7247 t/ 7951 survey @ 7478 = 5 = deg,

DAY 36: drlg f/ 7951 t/ 8209 survey @ 7973, = 3, deg,

DAY 37: drlg f/ 8209 t/ 8237 drill break in bit calabrate pason f/ 8252 t/ 8263

DAY 38: repair rig instl, no 2 generator & motor

NAME (PLEASE PRINT) **GINGER BOWDEN**

TITLE **AGENT**

SIGNATURE _____

DATE **8/26/2010**

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AUG 26 2010

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

8. WELL NAME and NUMBER:

JMD 12-4-3

2. NAME OF OPERATOR:

JMD Energy

9. API NUMBER:

4301334300

3. ADDRESS OF OPERATOR:

PO BOX 911809

CITY ST GEORGE

STATE UT

ZIP 84791

PHONE NUMBER:

(435) 671-1255

10. FIELD AND POOL, OR WILDCAT:

Antelope Creek

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1832' FSL & 783' FWL

COUNTY: Duchesne

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 4 4S 3W

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Drilling reports
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

DAY 39: change out generator & motor, TRIP IN HOLE, trip in hole & tighten all connections, found 2 loose, drlg f/ 8259 t/ 8463
DAY 40: drlg, f/ 8463 t/ 8859 circ, & survey @ 8488 = 2.25 deg

NAME (PLEASE PRINT) GINGER BOWDEN

TITLE AGENT

SIGNATURE

DATE 8/26/2010

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AUG 26 2010

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: JMD Energy Operator Account Number: N 3620
Address: PO BOX 911809
city St. George
state UT zip 84791 Phone Number: (435) 467-1255

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4301334300	JMD 12-4-3-3 <u>JMD 12-4-4-3</u>	NWSW	<u>8</u>	4S	<u>4W</u>	Duchesne
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	<u>99999</u>	<u>17789</u>	5/23/2010		<u>10/11/10</u>	
Comments: <u>WSTC</u> <div style="float: right; font-weight: bold; font-size: 1.2em;">CONFIDENTIAL</div>						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
Comments:						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Ginger Bowden

Name (Please Print)

Signature

Agent

Title

9/27/2010

Date

RECEIVED

SEP 28 2010

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: JMD ENERGY, INC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. Box 911809 CITY St. George STATE UT ZIP 84791		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1832 FSL 783 FWL GPS Coord (UTM) 565242E 4445758N QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 4 4 S 3 W		8. WELL NAME and NUMBER: JMD 12-4-4-3 9. API NUMBER: 4301334300 10. FIELD AND POOL, OR WILDCAT: WILDCAT
		COUNTY: DUCHESNE STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 3/20/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input checked="" type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

JMD 12-4-4-3 is currently producing from the Wasatch Zone.

We plan to perforate and fracture the Green River zone formation indicated on our well logs in the latter part of March 2011.

This is JMD's notice of intent to produce oil in this well from both the Wasatch and Green River zones upon authorization from the Utah DOGM.

Thank you.

COPY SENT TO OPERATOR

Date: 2.16.2011
Initials: KS

NAME (PLEASE PRINT) Farnes G. Egbert	TITLE President
SIGNATURE <i>Farnes G. Egbert</i>	DATE 1/20/2011

(This space for State use only)

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

Date: 2/14/2011

By: *[Signature]*

* See requirements of R649-3-22

(See Instructions on Reverse Side)

RECEIVED

JAN 25 2011

DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: JMD ENERGY INC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: P.O. Box 911809, St George, UT, 84791		8. WELL NAME and NUMBER: JMD 12-4-4-3
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1832 FSL 0783 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 04 Township: 04.0S Range: 03.0W Meridian: U		9. API NUMBER: 43013343000000
PHONE NUMBER: 435 668-4971 Ext		9. FIELD and POOL or WILDCAT: WILDCAT
COUNTY: DUCHESNE		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/25/2011	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input checked="" type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

JMD 12-4-4-3 is currently producing from the Wasatch Zone. We plan to perforate and fracture the Green River zone formation indicated on our well logs in the first half of May 2011. This is JMD's notice of intent to produce oil in this well from both the Wasatch and Green River zones upon authorization from the Utah DOGM. Please see attached documents. JMD Energy holds all leases in the quarter sections indicated on the map, and we do not believe that allocation will be necessary. If it is found necessary to allocate, then we will determine such allocations by production tests. Thank you.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 05/04/2011
By:

NAME (PLEASE PRINT) Justin Egbert	PHONE NUMBER 435 467-1255	TITLE Operations Manager
SIGNATURE N/A	DATE 4/11/2011	

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:
JMD ENERGY, INC.

3. ADDRESS OF OPERATOR:
P.O. Box 911809 CITY St. George STATE UT ZIP 84791

PHONE NUMBER:
(435) 467-1255

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1832 FSL 783 FWL GPS Coord (UTM) 565242E 4445758N

COUNTY: DUCHESNE

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 4 4 S 3 W

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>4/25/2011</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
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	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input checked="" type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

JMD 12-4-4-3 is currently producing from the Wasatch Zone.

We plan to perforate and fracture the Green River zone formation indicated on our well logs in the first half of May 2011.

This is JMD's notice of intent to produce oil in this well from both the Wasatch and Green River zones upon authorization from the Utah DOGM. Please see attached documents.

JMD Energy holds all leases in the quarter sections indicated on the map, and we do not believe that allocation will be necessary. If it is found necessary to allocate, then we will determine such allocations by production tests.

Thank you.

NAME (PLEASE PRINT) Farnes G. Egbert

TITLE President

SIGNATURE

DATE 4/5/2011

(This space for State use only)

Apr. 11, 2011



P.O. Box 911801
St. George, UT 84791
jmdenergy.com

April 5, 2011

Utah Division of Oil, Gas and Mining
Attn: Dustin Doucet
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Harvest Natural Resources, Inc.
Attn: Pat Oenbring & Gil Porter
177 Enclave Parkway, Suite 300
Houston, TX 77077

Gentlemen,

Since August 2010, we have been producing oil from the Wasatch formation out of JMD12-4-4-3 located near Bridgeland, Duchesne County, Utah. The production curve has declined to approximately 20 bbls/day. We now want to go back into the well and perforate and fracture the Green River formation and commingle the Green River zone production with the Wasatch zone production.

The method we propose to use is with a wireline. We'll then set a solid plug between the Wasatch and Green River formations. We'll proceed with perforating and fracturing and setting composite flow through plugs in each of 10 stages determined by Halliburton as Green River production zones. Upon completion, it is our intent to put into production all stages within the Green River and Wasatch formations.

Enclosed you will find a document requiring a signature of an officer of Harvest Natural Resources, Inc. This document is required by the UDOGM stating that lease holders of the adjoining property (Harvest Natural Resources, Inc.) agree to JMD's plan to further develop their well without any further contest or investigation. You must reply to the UDOGM within 15 days if you intend to protest the action.

Please sign the attached document and scan/email it back to farnes@jmdenergy.com and copy the email to Dustin Doucet, dustindoucet@utah.gov.

Please contact me asap if you have any questions and thank you for your cooperation and prompt response.

Sincerely,

A handwritten signature in black ink that reads "Farnes G. Egbert".

Farnes G. Egbert
President
JMD Energy, Inc.
435-668-4971
farnes@jmdenergy.com

RECEIVED Apr. 11, 2011



P.O. Box 911801
St. George, UT 84791
jmdenergy.com

April 5, 2011

Utah Division of Oil, Gas and Mining
Attn: Dustin Doucet
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Affidavit

In compliance with the rule, JMD Energy Inc., has informed all people/lease holders of offsetting areas to the leases/area held by JMD Energy containing the well, JMD12-4-4-3 of our intent to develop and commingle oil production from the Green River and Wasatch zones.

Sincerely,

A handwritten signature in black ink, appearing to read "Farnes G. Egbert", written in a cursive style.

Farnes G. Egbert
President
JMD Energy, Inc.
435-668-4971
farnes@jmdenergy.com

RECEIVED Apr. 11, 2011

JMD12-4-4-3

Bridgeland, UT

Production start date: 8/16/2010



Area inside red lines held by JMD Energy
(All area on map outside of red lines
held by Harvest Petroleum Corp.)



April 5, 2011

TO:

Utah Division of Oil, Gas and Mining
Attn: Dustin Doucet
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

FROM:

Harvest Natural Resources, Inc.
Attn: Pat Oenbring & Gil Porter
177 Enclave Parkway, Suite 300
Houston, TX 77077

UDOGM,

This letter is to inform you that Harvest Natural Resources, Inc., as holders of adjoining property oil leases, does not contest the proposed plan by JMD Energy to further perforate and fracture their well, JMD12-4-4-3, located near Bridgeland, Duchesne County, Utah.

Sincerely,

(Signature)

(Title)

RECEIVED Apr. 11, 2011



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 11, 2012

Certified Mail 7011 0110 0001 3568 2141

Farns Eggbert
Owner
JMD Energy Inc.
P.O. Box 911809
St. George, Utah 84791

43 013 3A300
4S 3W 4

Dear Mr. Eggbert:

Following our conversation this morning regarding surface issues on the JMD 12-4-4-3, please move forward with the completion of the new fencing around this well pad as required on the original Permit to Drill. The gate along the western portion into Mr. Standfield's field shall be removed so further berm issues do not occur. Also please construct the ramp we discussed around the northwestern corner of the well pad that provides access for the landowner to his field for irrigation and his stock pasture. With the two cattle guards that JMD has installed there isn't any reason for the existing gate, which will only cause more problems with maintaining a berm around this site. The Duchesne River and its water quality is a high priority for the Division, which is the reason for the fencing and berming stipulations on this site. JMD should also install a sign at the access into this well stating "No Unauthorized Personnel" on this facility to prevent further surface issues. The letter has been sent to help assure that oil or production water does not spill into the adjacent river.

Sincerely,

Dennis Ingram
Senior Petroleum Specialist

DLI/
Well File

U.S. Postal Service
CERTIFIED MAIL[®] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

7/12/2012

Postmark
Here

Total Pos

Sent To **FARNS EGBERT**
JMD ENERGY INC
 Street, Apt. or PO Box **PO BOX 911809**
 City, State, **ST GEORGE UT 84791**

PS Form 3800, August 2006

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

FARNS EGBERT
JMD ENERGY INC
PO BOX 911809
ST GEORGE UT 84791

2. Article Number

(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Justin Egbert

☒ Agent

☐ Addressee

B. Received by (Printed Name)

Justin Egbert

C. Date of Delivery

7/25/12

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

RECEIVED

JUN 27 2012

3. Service Type

☒ Certified Mail

☐ Registered

☐ Insured Mail

☐ Express Mail

☐ Return Receipt for Merchandise

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: JMD ENERGY INC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: P.O. Box 911809, St George, UT, 84791		8. WELL NAME and NUMBER: JMD 12-4-4-3
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1832 FSL 0783 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 04 Township: 04.0S Range: 03.0W Meridian: U		9. API NUMBER: 43013343000000
PHONE NUMBER: 435 668-4971 Ext		9. FIELD and POOL or WILDCAT: WILDCAT
COUNTY: DUCHESNE		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input checked="" type="checkbox"/> DRILLING REPORT Report Date: 8/27/2010	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100%;" type="text"/> </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. DAY 41: Rig Service, drlg f/ 8891 t/ 9062, drlg f/ 9062 t/ 9301 DAY 42: circ, pump pill & drop survey @ 9400 = 2 3/4 deg, halliburton run wire line logs, to 9424 ft, DAY 43: finish logging & rig down logging truck, lay down drill pipe break kelly down lay down collars, rig up casing crew DAY 44: hold safety meeting & run casing, rig up halliburton & cement rig down halliburton DAY 45: Rig Released @ 9.00 am on 7/5/10 DAY 46: Rigging down and releasing equipment DAY 47: td is wireline measurement to 9,424 ft. DAY 48: Rigging down and releasing equipment DAY 49: Rigging down and releasing equipment DAY 50: Rigging down and releasing equipment DAY 51: Rigging down and releasing equipment DAY 52: Rigging down and releasing equipment		
NAME (PLEASE PRINT) Justin Egbert		PHONE NUMBER 435 467-1255
SIGNATURE N/A		TITLE Operations Manager
DATE 8/27/2012		<div style="text-align: right;"> Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY August 27, 2012 </div>

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:

9. API NUMBER:

10 FIELD AND POOL, OR WILDCAT

11. QTR/QTR, SECTION, TOWNSHIP, RANGE,
MERIDIAN:

12. COUNTY

13. STATE

UTAH

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER _____

b. TYPE OF WORK: NEW WELL ☐ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER _____

2. NAME OF OPERATOR:

3. ADDRESS OF OPERATOR:

CITY

STATE

ZIP

PHONE NUMBER:

4. LOCATION OF WELL (FOOTAGES)

AT SURFACE:

AT TOP PRODUCING INTERVAL REPORTED BELOW:

AT TOTAL DEPTH:

14. DATE SPUDDED:

15. DATE T.D. REACHED:

16. DATE COMPLETED:

ABANDONED ☐

READY TO PRODUCE ☐

17. ELEVATIONS (DF, RKB, RT, GL):

18. TOTAL DEPTH: MD

TVD

19. PLUG BACK T.D.: MD

TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD

PLUG SET:

TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

23.

WAS WELL CORED? NO ☐ YES ☐ (Submit analysis)

WAS DST RUN? NO ☐ YES ☐ (Submit report)

DIRECTIONAL SURVEY? NO ☐ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A)				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: _____

30. WELL STATUS:



31. INITIAL PRODUCTION**INTERVAL A (As shown in item #26)**

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)**33. SUMMARY OF POROUS ZONES (Include Aquifers):**

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) _____ TITLE _____

SIGNATURE _____ DATE _____

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

Wasatch Zone

Frac Stage	Top Perf	Bottom Perf	Perf ft	spf	# Perfs	Perf dia	GR ft	Sand Vol 2000	Pump Rate
7131' CBP ABOVE PERFS TO GET TUBING RUN IN WELL TO DRILL OUT									
5	7244	7248	4	3	12	0.4"	16	32000	50 bpm
	7272	7274	2	3	6	0.4"	2	4000	
	7294	7296	2	3	6	0.4"	2	4000	
	7322	7324	2	3	6	0.4"	2	4000	
	7360	7362	2	3	6	0.4"	2	4000	
	7368	7370	2	3	6	0.4"	6	12000	
	7380	7382	2	3	6	0.4"	2	4000	
	7390	7392	2	3	6	0.4"	4	8000	
				54			72000	lbs Total	
CBP	7430	DRILLED OUT							
4	7476	7480	4	3	12	0.4"	12	24000	50 bpm
	7488	7490	2	3	6	0.4"	6	12000	
	7494	7496	2	3	6	0.4"	6	12000	
	7502	7504	2	3	6	0.4"	6	12000	
	7516	7518	2	3	6	0.4"	8	16000	
	7528	7532	4	3	12	0.4"	14	28000	
	7548	7550	2	3	6	0.4"	6	12000	
	7560	7562	2	3	6	0.4"	4	8000	
	7578	7582	4	3	12	0.4"	12	24000	
				72			148000	lbs Total	

CBP 7596 → 7594 DRILLED OUT

Wasatch Zone

3	7599.5	7602	7606	4	3	12	0.4"	8	16000	50 bpm
	7681.5	7690	7694	4	3	12	0.4"	20	40000	
	7708	7722	7724	2	3	6	0.4"	6	12000	
	7754	7772	7774	2	3	6	0.4"	4	8000	
	7764	7786	7788	2	3	6	0.4"	4	8000	
	7782	7808	7810	2	3	6	0.4"	4	8000	
	7796.5	7826	7828	2	3	6	0.4"	4	8000	
						<u>54</u>			<u>100000</u>	lbs Total

CBP 7870

2	7906	7910	7910	4	3	12	0.4"	4	8000	50 bpm
	7928	7932	7932	4	3	12	0.4"	4	8000	
	8038	8042	8042	4	3	12	0.4"	8	16000	
	8054	8058	8058	4	3	12	0.4"	6	12000	
						<u>48</u>			<u>44000</u>	lbs Total

SET CBP 8080

1	8118.5	8120	8124	4	3	12	0.4"	4	8000	50 bpm
	8155	8162	8164	2	3	6	0.4"	2	4000	
	8216	8226	8230	4	3	12	0.4"	10	20000	
OFFENT STOP	8262	8278	8284	6	3	18	0.4"	12	24000	
						<u>48</u>			<u>56000</u>	lbs Total

SET CIBP 8350

JMD ENERGY 12 -4 -4 -3

SURVEY

Deviation @ 267 ft. = $1/4$ degree

Deviation @ 980 ft. = $1/2$ degree

Deviation @ 1550 ft. = 1 degree

Deviation @ 2050 ft. = 1 degree

Deviation @ 2516 ft. = 2 degree

Deviation @ 3050 ft. = $2 \frac{1}{4}$ degrees

Deviation @ 3536 ft. = $3 \frac{1}{4}$ degrees

Deviation @ 4297 ft. = 3.5 degrees

Deviation @ 4741 ft. = 4 degrees

Deviation @ 4960 ft. = 3 degrees

Deviation @ 5149 ft. = 3.5 degrees

Deviation @ 5556 ft. = 4 degrees

Deviation @ 6038 ft. = 4 degrees

Deviation @ 7009 ft. = 5 degrees

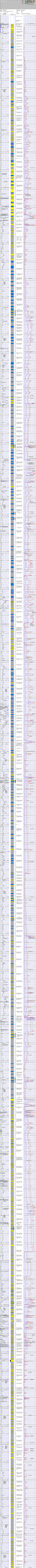
Deviation @ 7478 ft. = 5 degrees

Deviation @ 7973 ft. = 3 degrees

Deviation @ 8488 ft. = $2 \frac{1}{4}$ degrees

Deviation @ 9400 ft. = $2 \frac{3}{4}$ degrees

TD - 9424 ft.



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: JMD 12-4-4-3	
2. NAME OF OPERATOR: JMD ENERGY INC	9. API NUMBER: 43013343000000	
3. ADDRESS OF OPERATOR: P.O. Box 911809, St George, UT, 84791	PHONE NUMBER: 435 668-4971 Ext	9. FIELD and POOL or WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1832 FSL 0783 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 04 Township: 04.0S Range: 03.0W Meridian: U		COUNTY: DUCHESNE
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/18/2012	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input checked="" type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text"/>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Dustin, Thank you for our phone call. Please review the attached map and information taken from the State OGM web site. The "green dot" on the map indicates JMD12443 in relationship to other wells. As indicated, there are no other wells within a 1 mile radius and not even any other issued permits within that radius. Will you please designate JMD12443 as "Wildcat" for Severance Tax exemption status for the first 12 months of our production? Please contact JMD Energy if further information is necessary. Thank you.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: December 20, 2012

By: Derek Duff

NAME (PLEASE PRINT) Justin Egbert	PHONE NUMBER 435 467-1255	TITLE Operations Manager
SIGNATURE N/A		DATE 12/18/2012



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43013343000000

DIVISION OF OIL, GAS AND MINING Wildcat Well Determination STATEMENT OF BASIS

Applicant: JMD Energy Inc.

Location: NWSW Sec. 4 T4S, R3W, USM, Duchesne County, Utah

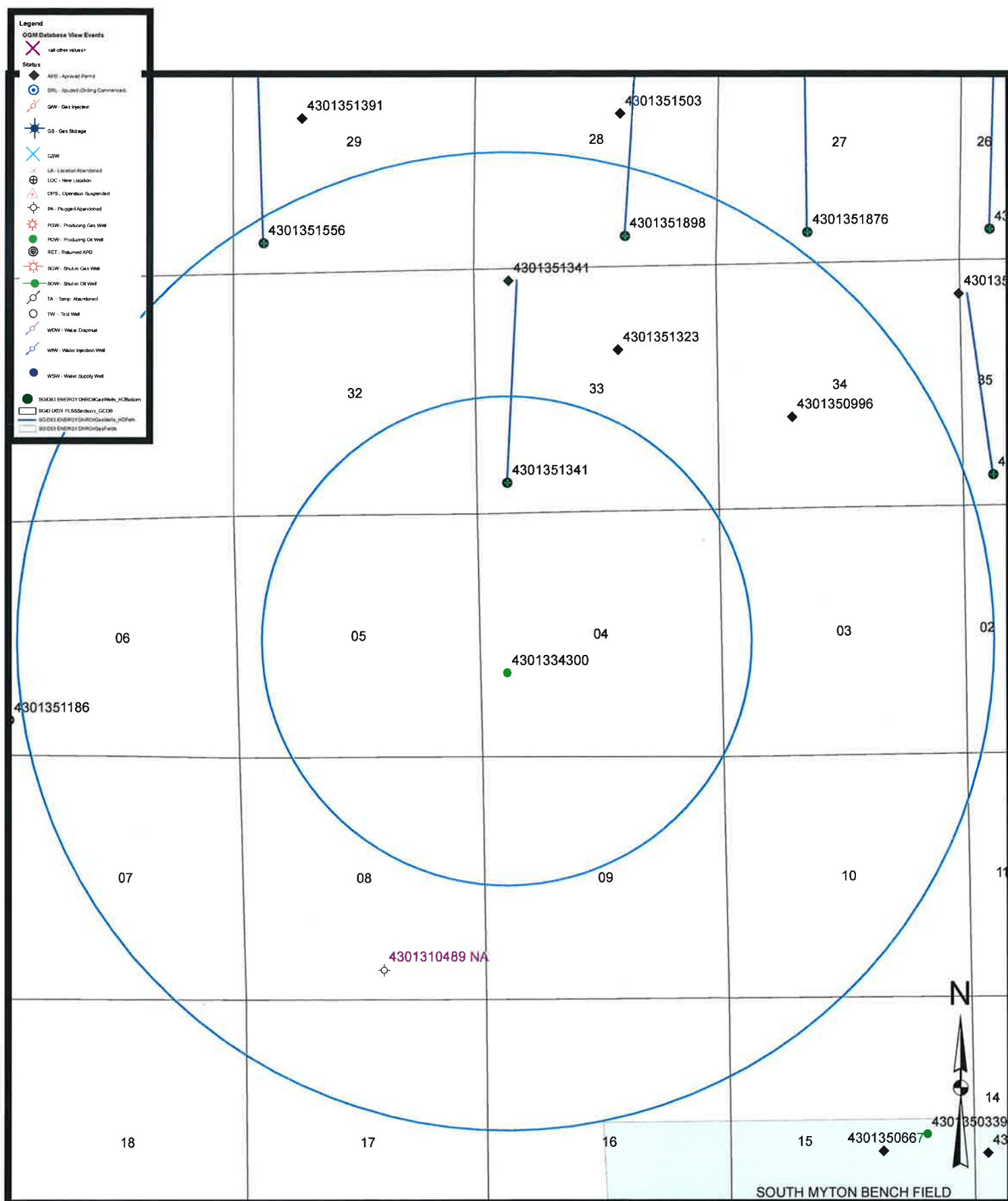
WELL NAME: JMD 12-4-4-3 API #: 43-013-34300

FINDINGS

1. This well is currently producing from the Wasatch and Green River formations. 2. It is \pm 3.5 miles to the nearest wells drilled in the area. 3. There is 1 well permitted as a horizontal in the Uteland Butte of the Green River formation within mile. This well has not been spudded yet. 4. The subject well was completed and first produced on August 16, 2010. No other wells were drilled, completed or have been put on production within a 1 mile radius of the subject well since that time. **CONCLUSIONS**

Based on the findings above the Division has determined the JMD 12-4-4-3 well was drilled into an unknown area for the Wasatch and Green River formations. The application was received over two years after the well was completed and started producing. Future requests for wildcat well determination should be submitted in accordance with R649-3-35-1. No other requests for a wildcat determination have been received or approved by the Division within the area of review. Therefore, the Division finds that this well qualifies for the severance tax exemption under Section 59-5-102(2)(d) for wildcat wells. This determination was made in accordance with Oil and Gas General Conservation Rule R649-3-35 and the definition of a wildcat well in R649-1-1.

Reviewer(s): Dustin K. Doucet Date: 12/20/2012



DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: JMD ENERGY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. Box 911809 CITY St. George STATE UT ZIP 84791		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (435) 467-1255		8. WELL NAME and NUMBER: JMD 12-4-4-3
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1832 FSL 783 FWL GPS Coord (UTM) 565242E 4445758N		9. API NUMBER: 4301334300
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 4 4 S 3 W		10. FIELD AND POOL, OR WILDCAT: WILDCAT
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Request that well be designated as Wildcat</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Dustin,

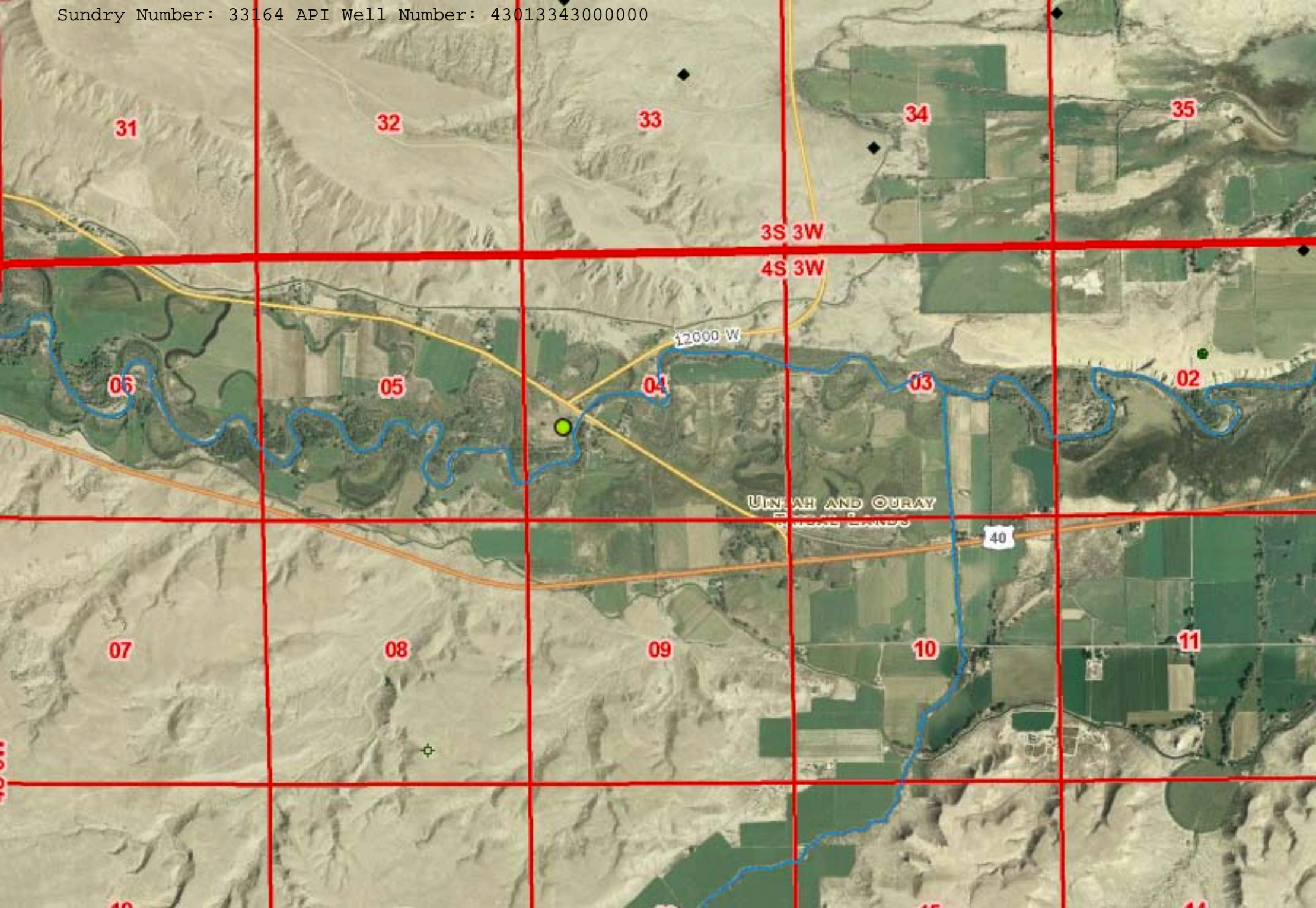
Thank you for our phone call. Please review the attached map and information taken from the State OGM web site. The "green dot" on the map indicates JMD12443 in relationship to other wells. As indicated, there are no other wells within a 1 mile radius and not even any other issued permits within that radius. Will you please designate JMD12443 as "Wildcat" status for Severance Tax exemption status for the first 12 months of our production? Please contact JMD Energy if further information is necessary.

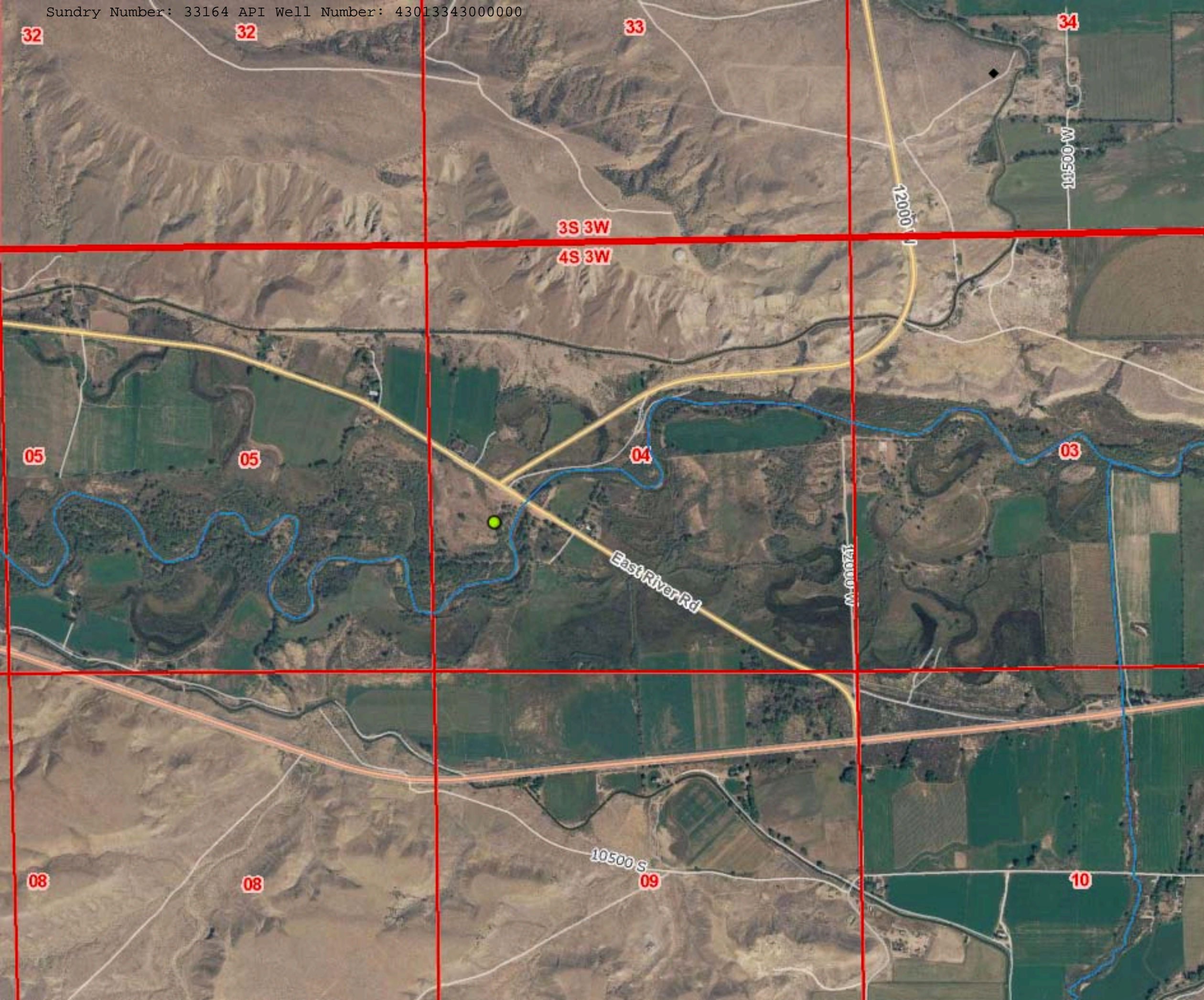
Thank you.

NAME (PLEASE PRINT) <u>Justin Egbert</u>	TITLE <u>Operations Manager</u>
SIGNATURE <u></u>	DATE <u>12/18/2012</u>

(This space for State use only)

Sundry Number: 33164 API Well Number: 43013343000000





INSTRUCTIONS

This form shall be submitted by the operator to show the intention and/or completion of the following:

- miscellaneous work projects and actions for which other specific report forms do not exist;
- all other work and events as identified in section 11, Type of Action, or as required by the Utah Oil and Gas Conservation General Rules, including:
 - minor deepening of an existing well bore,
 - plugging back a well,
 - recompleting to a different producing formation within an existing well bore (intent only),
 - reperfoming the current producing formation,
 - drilling a sidetrack to repair a well,
 - reporting monthly the status of each drilling well.

This form is not to be used for proposals to

- drill new wells,
- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

Use Form 3, Application for Permit to Drill (APD) for such proposals.

NOTICE OF INTENT - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

SUBSEQUENT REPORT - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

WELL ABANDONMENT - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

In addition to any Sundry Notice forms submitted, **Form 8, Well Completion or Recompletion Report and Log** must be submitted to the division to report the results of the following operations:

- completing or plugging a new well,
- reentering a previously plugged and abandoned well,
- significantly deepening an existing well bore below the current bottom-hole depth,
- drilling horizontal laterals from an existing well bore,
- drilling hydrocarbon exploratory holes such as core samples and stratigraphic tests,
- recompleting to a different producing formation.

Send to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 28, 2013

Certified Mail #7010 1670 0001 4810 3799

Justin Egbert
JMD Energy Inc.
P.O. Box 911809
St. George, Utah 84791

Subject: Royalty Complaint – JMD 12-4-4-3 Well

Dear Mr. Egbert:

4S 3W 4

Last October Ms. Carol Jackson filed a royalty complaint, with the Division of Oil, Gas and Mining ("Division"), against JMD Energy Inc. ("JMD") for failure of royalty payments for production from the JMD 12-4-4-3 well (API # 43-013-34300) in Duchesne County, Utah. A review, by the Division, of JMD records for this well determined JMD had not filed well information and production reports as required by Utah Oil and Gas Conservation Rules.

The Division contacted you and requested that JMD provide the Division with the well files, production reports and royalty payments for the JMD 12-4-4-3 well. JMD satisfactorily provided all the requested well files, production reports and royalty payment schedules. The well files and production records are now public information on the Division's web site. In addition, a Division review of JMD royalty payment schedules provided to the Division, for royalty payments to Carol Jackson show that she has been paid properly and timely.

Therefore, the Division shall close its royalty investigation for the JMD 12-4-4-3 well at this time.

The Division has already advised Carol that her royalty payments appear to be in order.

Thank you for your assistance in this matter.

Sincerely,

Clinton Dworshak
Compliance Manager

cc: Well File
Randy Thackeray
Carol Jackson



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(Domestic Mail Only; No Insurance Coverage Provided)

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1/29/2013

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JUSTIN EGBERT
JMD ENERGY INC
PO BOX 911809
ST GEORGE UT 84791

Sent To

Street, Ap
or PO Box
City, State

PS Form 3800, August 2006

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

JUSTIN EGBERT
JMD ENERGY INC
PO BOX 911809
ST GEORGE UT 84791

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

B. Received by (Printed Name)

JUSTIN B. EGBERT

C. Date of Delivery

FEB 1 2013

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

RECEIVED

FEB 11 2013

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☐ Registered

☐ Insured Mail

☐ Express Mail

☐ Return Receipt for Merchandise

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

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PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540